EAST LANSING AGENDA

Housing Commission Meeting

6:30 PM - Thursday, June 4, 2026

Hannah Community Center - 819 Abbot Road, East Lansing, MI 48823

Public Comment - Email: ahodges@cityofeastlansing.com

Page

1. **OPENING**

   1.1. Roll Call

   Parker Fisher (Chair)
   Lila Abdullah
   Antonio James
   AJ Schict
   Samuel Tibebe
   Ryan Todd
   Aurles Wiggins

   1.2. Approval of the agenda

   1.3. Approval of the minutes 2 - 6

   Agenda Item Report - Pdf

2. **COMMISSIONER CONCERNS AND ANNOUNCEMENTS**

3. **COMMUNICATION FROM THE PUBLIC**

4. **PUBLIC HEARING**

5. **OLD BUSINESS**

   5.1. Discussion of Ordinance 1559, which would amend Sec. 50-94 of the Zoning Ordinance, which defines a diverse housing requirement in downtown East Lansing. The amendment would allow for a fee to be paid in lieu of meeting the requirement, define a formula for that fee, and allow for the transfer of diverse housing credits from areas outside of downtown. 7 - 177

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6. **NEW BUSINESS**

   6.1. Vice Chair Election

7. **COMMITTEE REPORTS**

8. **STAFF AND CITY COUNCIL UPDATES**

9. **ADJOURNMENT**

Housing Commission

AGENDA ITEM REPORT

To:	Housing Commission
Subject:	Approval of the minutes
Meeting:	Housing Commission - 04 Jun 2026
Department:	Planning, Building, and Housing
Staff Contact:	Aleece Hodges, Director of Planning, Building, and Housing

BACKGROUND INFORMATION:

Draft minutes from the May 2026 meeting are attached

ATTACHMENTS:

DRAFT MAY 2026 HOUCOM MEETING MINUTES - UPDATED (AutoRecovered)

CITY OF EAST LANSING

Quality Services for a Quality Community

HOUSING COMMISSION

MEETING MINUTES -

May 7, 2026, 6:30PM

HANNAH COMMUNITY CENTER
819 ABBOT ROAD

MEMBERS

Parker Fisher, Chairperson
Benjamin Lowen, Vice Chair

Lila Abdullah
Antonio James
Nicholas McCann
AJ Schicht
Samuel Tibebe
Ryan Todd
Arlus Wiggins

City Council Liaison
Chuck Grigsby

Staff Liaison
Aleece Hodges
(517) 319-6878

City of East Lansing-
City Hall
PLANNING, BUILDING AND DEVELOPMENT –
Housing Department
410 Abbot Road
East Lansing, MI 48823

(517) 319-6857
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1) OPENING

Meeting called to order by Chairperson Fisher at approximately 6:32pm

1.1 Roll Call
Present – Fisher, Lowen, Abdullah, James, Tibebe, Todd, Wiggins, Schicht
Absent – McCann

Staff Present – Aleece Hodges, Claire Healey

1.2 Approval of Agenda
Motion to approve by James, second by Lowen. All present voted in favor.

1.3 Approval of minutes from April 2, 2026, meeting minutes made by James, second by Wiggins. All present voted in favor.

2) SPECIAL PRESENTATION - The Commission received a special presentation from Khadja Erickson, Director of the Tenant Resource Center (TRC). Ms. Erickson provided an overview of the TRC's mission and role, describing the organization's purpose and the communities it serves. She outlined a program overview and introduced the TRC team structure**,** explaining how staff roles support service delivery. Ms. Erickson also discussed how the TRC functions operationally**,** including intake processes and approaches to community engagement. She shared "TRC by the Numbers," highlighting key metrics from the first year, such as the number of individuals and households served, and reviewed TRC partners and collaborators who contribute to the center's work. In addition, she noted emerging trends in tenant needs, identified ongoing challenges and opportunities related to housing stability, and encouraged

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continued collaboration with the Commission. Ms. Erickson concluded by providing TRC contact information.

3) **COMMISSIONER CONCERNS AND ANNOUNCEMENTS –** Commissioner James reported that he recently sent an email to the commission regarding Artspace and the associated feasibility study. He asked commissioners to review the information, consider whether the project is viable for this year, and provide any feedback before the May 28 meeting. Mayor Pro Tem Grigsby expressed his enthusiasm for the Artspace initiative and encouraged the commission to support the project as it moves forward.

Commissioner Lowen shared this will be his last meeting with the Housing Commission as he is moving to Baltimore, MD to begin working in housing for the state of Maryland.

4) **COMMUNICATION FROM THE PUBLIC**

4.1 Written communication:

Written communication was received from Sally and Jim Newton, Dr. Robin Dickson and Dr. Patrick Dickson, Carole Hetherington, Dona McGovern, John and Carolyn Johnson, Robert and Judy Steele, Jean Schultz, Gail and William Kendall, Joann Steele, Kathy Rodgers, Barb Soper, Nancy and Gerald Lindman, regarding opposition of Ordinance 1572- new section 50-778.

Written communication was received from James Newton, 939 Sunset Ln, regarding Ordinance 1572

Written communication was received from Lynn Richardson, 1300 Blanchette Dr, regarding ordinance 1572

Written communication was received from Molly Szpunar, regarding a rental license cap

Written communication was received from Amy Gload, 540 Linden St, regarding Ordinance 1572 – new section 50-778

Written communication was received from Ashton Henderson, regarding Ordinance 1572 – new section 50-778

Written communication was received from Jacqueline Genovesi, 353 Division St, regarding Ordinance 1572 – new section 50-778

Written communication was received from Jeffrey Hank, regarding Ordinance 1572 – new section 50-778

4.2 Verbal communication from the audience:

Jeffrey Hank, 349 Division, shared viewpoints regarding Ordinance 1572

Lynn Richardson, 1300 Blanchette Dr, shared viewpoints regarding Ordinance 1572

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5) PUBLIC HEARING - NONE

6) OLD BUSINESS

6.1 Lowen moved to recommend City Council not adopt Ordinance 1572, an ordinance to amend Chapter 50, Zoning, Division 5, Residential Rental Restriction Overlay Districts, of the Code of the City of East Lansing, to add a new Section 50-778, *Removal of property from the rental restriction overlay districts*, and to recommend City Council create a process for amending the rental restriction overlay districts that would require a 2/3 vote from owners within the overlay to amend the boundaries, and to consider a sunset timeline for overlays to be reaffirmed. Motion seconded by Fisher.

Tibebe made a motion to amend the current motion by removing the section stating: "and recommend City Council to create a process for amending the rental restriction overlay districts that would require a 2/3 vote from the owners within the overlay to amend the boundaries, also recommend City Council to consider a sunset timeline for overlays to be reaffirmed" and replacing it with: "and recommend City Council look into other avenues for amending the rental restriction overlay districts." Motion seconded by James. The vote was taken. All members voted in favor, with the exception of Lowen, who voted nay. The motion carries

The amended motion reads: "Recommend to City Council not adopt Ordinance 1572, an ordinance to amend Chapter 50, Zoning, Division 5, Residential Rental Restriction Overlay Districts, of the Code of the City of East Lansing, to add a new Section 50-778, Removal of property from the rental restriction overlay districts, and recommend City Council look into other avenues for amending the rental restriction overlay districts." All members present voted in favor of the amended motion and the motion was adopted.

7) NEW BUSINESS

7.1 Discussion of Ordinance 1559, which would amend Sec. 50-94 of the zoning ordinance which defines a diverse housing requirement in downtown East Lansing. The amendment would allow for a fee to be paid in lieu of meeting the requirement, define a formula for that fee, and allow for the transfer of diverse housing credits from areas outside of downtown. Principal Planner Landon Bartley provided an overview of Ordinance 1559 and responded to questions from the Commission. The Housing Commission did not take action at this meeting and may consider action at next month's meeting.

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8) COMMITTEE REPORTS – NONE

9) STAFF AND CITY COUNCIL UPDATES

9.1 Staff Updates: Hodges provided construction updates, including information on road closures and where to access those updates. Additional announcements included new downtown art installations, open Public Works positions, registration for summer Parks and Recreation programs, the Meijer gas station beginning foundation work, and the anticipated upcoming start of construction for Sheetz. Hodges announced that she has been named PBH Director.

Council Updates: Grigsby shared his thanks and appreciation to the housing commission for their continued work

10) ADJOURNMENT - Motion to adjourn meeting at 8:49pm made by Tibebe seconded by James.

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Housing Commission

AGENDA ITEM REPORT

To:	Housing Commission
Subject:	Discussion of Ordinance 1559, which would amend Sec. 50-94 of the Zoning Ordinance, which defines a diverse housing requirement in downtown East Lansing. The amendment would allow for a fee to be paid in lieu of meeting the requirement, define a formula for that fee, and allow for the transfer of diverse housing credits from areas outside of downtown.
Meeting:	Housing Commission - 04 Jun 2026
Department:	Planning, Building, and Housing
Staff Contact:	Aleece Hodges, Director of Planning, Building, and Housing

BACKGROUND INFORMATION:

Background

Ordinance 1384 was adopted in November 2016, and amended the Zoning Ordinance by establishing a diverse housing requirement in certain areas of downtown East Lansing.

The diverse housing requirement in Section 50-94 requires that 25% of units for any proposed multi-family residential development within the core downtown area of East Lansing (specifically those properties within the DDA district west of Collingwood Avenue) be owner-occupied, priced to be affordable for low-moderate income residents, restricted to residents aged 55 or older, or some other way of increasing the diversity of housing types within downtown. There is also a mechanism which allows one development with a number of units **exceeding** the minimum requirement to transfer, on a per-unit basis, credit for their units to a different project which would not otherwise meet this requirement.

Proposed Ordinance 1559 would modify the City's downtown diverse housing requirement.

City Council introduced and referred to the Planning Commission the attached ordinance on February 17, 2026. The Planning Commission held a public hearing for the proposed ordinance on March 25 2026, and discussed it at length at the following meeting on April 8 and April 22nd.

Video of Council's February 17, 2026 discussion (Agenda Item 5.1)

Video of Planning Commission's March 25, 2026 public hearing (Agenda Item 6.1)

Video of Planning Commission's April 8, 2026 discussion (Agenda Item 8.1)

During the most recent discussion, the Planning Commission requested that staff provide a few recommended options.

Staff's recommendations in this Agenda Item Report (AIR) are bolded and highlighted in yellow. Here is a summary of staff's recommendations, with more detail for each provided later in this AIR.

- **Fee In Lieu of providing diverse units on site: 5% of total residential construction cost**
- Allow 1% fee reduction in exchange for constructing a mass timber building.
- Consider fee reduction of 0.5% for providing transit passes for all tenants for 5 years, and/or the same reduction for providing at least one car-share vehicle on site for 5 years.
- **Create a Council-appointed Advisory Commission or Committee to recommend disbursement of funds received under this program.**

- **Allow transfers of credits from areas outside of downtown**
- Recommend 1.0 : 1.0 for credits transferred from B3 or EV zoned properties
- Recommend 1.1 : 1.0 for credits transferred from B2, RM32, or RM54 properties
- All properties from which credits are transferred must be located south of Saginaw Highway

The Planning Commission did make a motion at their April 22nd Meeting to amend the diverse housing requirement. Below is a summary of the Planning Commission's motion (this is just a summary of the motion, a copy of the full motion will be shared with Housing Commission on May 7th.

- **Support Fee in Lieu program that is 5% of total residential construction costs**
- **Allow for 1% reduction for mass timber/LEED**
- **Create council-appointed advisory commission or committee to recommend disbursement of funds received under this program**
- **Allow transfers of credits from areas outside of downtown**

Fee-In-Lieu Program

The proposed fee-in-lieu program establishes a fee that would be paid by the developer instead of providing diverse housing units on site.

Staff reviewed approaches used in several other communities, including Ann Arbor, Columbus, OH; Iowa City, IA; Bloomington, IN; and Evanston, IL. Each of these jurisdictions applies a fee structure based on either a per-unit or per-bedroom methodology. Ann Arbor's formula is based on the "affordability gap" calculated from AMI numbers in comparison to previous years' sales records. Please refer to the attachment titled "**East Lansing - Affordability Gap Calculation**" for an updated calculation showing how this model could work in East Lansing.

The Borough of State College, PA bases its fee on actual construction costs, and staff has also considered whether such an approach could be appropriate in East Lansing. Basing a fee on the cost of construction for the residential component of a proposed development is quite straightforward and

is the option recommended by staff. Please refer to the attachment titled "**Construction Cost Model**" to review potential scenarios for recent East Lansing developments if they had used this approach.

Should a Fee-In-Lieu be implemented, it is worth considering how the fee could affect the viability of a development project, how the fee would be absorbed/passed along, and the purposes for which funds received would be used.

One developer suggested reducing the fee by an amount or percentage as an incentive for providing specific community needs or amenities. Such amenities could include:
- LEED certification of the building
- Use of mass timber for a majority of building materials
- Providing low-cost or free car-share on site
- Providing tenants with annual transit passes
- Providing a green roof, green wall, or similar
- Providing additional off-site community amenities

Staff recommends a Fee In Lieu of 5% of total residential construction cost, AND allowing a 1% fee reduction in exchange for constructing a mass timber building.

Staff also suggests considering a fee reduction of 0.5% for either providing transit passes for all tenants for 5 years, and/or the same reduction for providing at least one car-share vehicle on site for 5 years.

Finally, the Commission should consider, and seek to recommend to Council:

1. Appropriate metrics of success for an East Lansing program.
2. How funds received through the Fee-In-Lieu program would be managed and disbursed.
3. If using an affordability gap model, recommend preferred methods to regularly revisit the formula in order to respond to changes to the Consumer Price Index (CPI) and other market conditions.

Staff recommends the creation of a Council-appointed advisory body, similar in size, makeup, and duration to the Community Development Advisory Committee, which meets for a few months every winter to recommend recipients of CDBG funds received by the City.

This Commission or Committee would evaluate applications for financial support related to supportive housing activities, development and programs, in accordance with guidelines approved by City Council. City Council would have final authority to approve or deny applications. The new body would also provide annual reports on the funding impacts of the program and would provide recommendations for program improvements. Please refer to the attachment titled "**Fund Management Overview**" for more details.

Transfer of Credits from Other Developments

Section 50-94(b)(4)(e) provides a mechanism which allows one development with a number of units **exceeding** the minimum 25% requirement to transfer, on a per-unit basis, credit for their units to a different project which would not otherwise meet this requirement. A development could send their credits to another development project which would receive those credits.

Under the current regulations, both projects (transferring and receiving credits) must be located within the diverse housing requirement area. Staff proposes to change this.

Staff recommends allowing transfers of credits:

- **from B3 and EV zone districts on a 1.0 unit : 1.0 credit basis, and**
- **from B2, RM32, and RM54 on a 1.1 unit : 1.0 credit basis.**

That is, transfers from outside of downtown (B3) or East Village (EV) would count 10% less than those from within those zones.

Staff also recommends that the transfer area be limited to properties south of Saginaw Highway.

Other Proposed Changes

Staff recommends a few additional changes to the diverse housing requirement. The section which requires diverse housing (Sec. 50-94(b)(4)e.) is currently located within Article II (Administration and Enforcement), Division 3 (Special Use Permit) of the Zoning Ordinance. This means that the diverse housing requirement applies only to residential units that require Special Use approval.

Ordinance 1536 was adopted in late 2024, which among other things provided incentives for mass timber, LEED-certified, or Net Zero buildings. The ordinance also made upper story residential uses a permitted use in all business districts, in line with commonly-applied Planning best practices. However, this change unintentionally resulted in the diverse housing requirement no longer applying to residential units downtown, unless other proposed building elements require Special Use approval for the project. This was not staff's intent (nor Council's, we believe) when developing Ordinance 1536.

To rectify this unintentional result, **staff recommends moving the diverse housing requirement section OUT of the Special Use Permit section of the Zoning Ordinance and instead place it INTO Article VII (Other Districts), Division 8 (Building Height Overlay District).** Within that section, there are also duplicated words or sentences that should be removed.

A zoning ordinance section describing procedures for requesting additional building height immediately follows the section describing the diverse housing requirement in its current location. **Staff recommends also moving this section to the "Building Height Overlay District" section in Article VII, Division 8.**

FINANCIAL IMPACT:

It is very difficult to estimate the financial impact of adopting this ordinance. Creating alternatives to providing diverse units on site could facilitate additional development in downtown East Lansing. Making one such alternative a fee in lieu of units would bring in an indeterminate amount of funds that could be substantial. Additional costs should be expected associated with managing and administering such funds, as well as tracking compliance with the conditions that allowed for payment of the fee in lieu of providing units.

STRATEGIC PRIORITIES:

This proposal is particularly responsive to two of East Lansing's strategic priorities:
Goal 3: Remain a responsive municipality by ensuring local laws and policies are relevant and increase input from all stakeholders.
Goal 9: To increase housing options and affordability by constructing 1,100 housing units over five years.

RECOMMENDATION:

Staff would recommend Housing Commission focus discussion on the percentage requirement for diverse housing (currently 25%) and whether a fee in lieu option should be available.

ATTACHMENTS:

DRAFT Ordinance No. 1559 diverse housing changes v3 CC intro REDLINE
DRAFT Ordinance No. 1559 diverse housing changes v3 CC intro CLEAN
Map of DDA Area currently requiring Diverse Housing
Construction Cost Model
East Lansing - Affordability Gap Calculation
Fund Management Overview
College Town Fee-in-Lieu Analysis
April 8 AIR for Diverse Housing Item
Maner Costerisan Fee-In-Lieu Report - East Lansing 2-11-2026
R. Belleman to Planning Comm. RE Zoning Ord. Ch 50-94 7.9.25
aaahf-policy_10-20-2014_v2
US Cities-IZ Ordinances and Diverse Housing Requirements for 8-12 PC discussion
Carrie Freeman Letter to Robert Belleman re Ord 1384
Carrie Freeman Letter to PC 7-23-25
Ordinance 1384 - As Adopted
Dietrich Spreadsheet of other Cities Fees for Ord 1559
Map of B1 zoned properties
Map of B2 zoned properties
Map of B3 zoned properties
Map of B4 zoned properties
Map of B5 zoned properties
Map of RM54 zoned properties
Map of RM32 zoned properties
Map of RM22 zoned properties
Map of RM14 zoned properties
Map of RM08 zoned properties
Map of R3 zoned properties
Map of R2 zoned properties
Map of R1 zoned properties
Map of RA zoned properties
Ballein Family_Harbor Bay Ventures_Letter_Planning Commission 4.22.26

Introduced: Introduced: February 17, 2026
Public Hearing: Public Hearing:
Adopted: Adopted:
Effective: Effective:

CITY OF EAST LANSING, MICHIGAN CITY OF EAST LANSING, MICHIG

ORDINANCE 1559 ORDINANCE 1559

AN ORDINANCE TO AMEND THE ZONING USE AN ORDINANCE TO AMEND
DISTRICT MAP OF CHAPTER 50 - ZONING - OF DISTRICT MAP OF CHAPTER
THE CODE OF THE CITY OF EAST LANSING THE CODE OF THE CITY OF EAST L

THE CITY OF EAST LANSING ORDAINS: THE CITY OF EAST LANSING ORDAINS:

Section 1 of Ordinance Section 1 of Ordinance

City of East Lansing City Code Chapter 50, *Zoning*, is hereby amended as follows: City of East Lansing City Code Chapter 50, Zoning, is hereby amended as follows:

Sec. 50-94. - Standards for review. Sec. 50-94. - Standards for review.

(a) *(a) uses.* All uses. Except as may be provided elsewhere in this section or chapter, each special use Except as may be p
permit application shall meet each of the following standards: permit application shall meet each of the following

(1)(1) The proposed use shall be consistent with the purpose of the use district in which it is located The proposed u
and the purpose and provisions of this division. and the purpose and provisions of this division.

(2)(2) The site plan for the property shall be approved in accordance with the provisions of this division 50-365 of this chapter. The site plan for the pro
of this chapter.

(3)(3) The proposed size, height, architectural character and placement of new or expanded The proposed size, heig
structures on the site shall be reasonably compatible with the existing or anticipated buildings structures on th
on adjacent properties. on adjacent properties.

(4)(4) Streets and access facilities serving the site shall be able to safely accommodate the expected Streets and acc
traffic generated by the proposed use; the use shall not cause excessive traffic congestion or traffic generated
delays, obstruct access to adjacent properties, or imperil the safety of motorists, pedestrians delays, obstruct a
or bicyclists. or bicyclists.

(5)(5) The proposed use shall not adversely affect the use and enjoyment of adjacent properties by The proposed us
generating excessive noise, vibration, light, glare, odors or any other form of pollution or generating excessiv
nuisances. nuisances.

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(6)(6) The proposed use shall not materially diminish the economic value of adjacent properties or The proposed us
the city as a whole. the city as a whole.

(7)(7) The proposed use shall not materially diminish the privacy, safety, security or enjoyment of The proposed us
any residential dwelling or residential neighborhood within the vicinity of the site. any residential dwelling o

(8)(8) The proposed use shall be located with direct access to and frontage on a major street as The proposed use sh
designated in the major street plan, or within an area designated for adaptive reuse in the city designated in th
center element of the comprehensive plan. center element of the comprehensive plan.

(b) *Specific uses.* In addition to the standards above, to address their unique characteristics, *Specific uses.* In addition to the sta
certain uses shall also meet the applicable standards below. certain uses shall also meet the applicable standards l

(1) *Churches.* (1) *Churches.*

a.a. Standards set forth in items (3) and (8) of subsection (a) above do not apply to churches. Standards set forth i

b.b. The minimum yard requirements of the use district in which the church is to be located shall The minimum y
apply except that in no event shall the yard requirement be less than 0.5 feet of yard to each apply except that
foot of building height (excluding steeples) as applied to rear yard or side yard depth. foot of building height

(2) *Businesses selling alcoholic beverages.* The following additional standards shall apply to (2) *Businesses selling alcoholic beverages.* The following add
restaurants and businesses licensed or to be licensed for the sale of alcoholic beverages or restaurants and busines
alcoholic liquor for consumption on or off the premises. alcoholic liquor for consumption on or off the premises.

a.a. The establishment shall not be located in such proximity to churches, elementary, or The establishment shall
secondary schools, child development centers, or community centers so as to annoy, injure, secondary school
offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons offend, disrupt, distu
conducting, attending, or traveling to or from such premises. This restriction may be waived conducting, atte
by city council at the request of the church, school district, child development center or by city council at the
community center whose location would otherwise prohibit the proposed use or, if there is an community cer
objection to the waiver of this restriction by the church, school or development of community objection to th
center, city council may waive this restriction only after hearing and good cause shown that center, city coun
the proposed establishment will not be in such proximity so as to annoy, injure, offend, the proposed establis
disrupt, disturb, or interfere with the activities of the particular church, school or disrupt, disturb, or interfere
development of community center. development of community center.

b.b. The establishment shall not cause or continue an undue concentration of similar uses in the The establishmen
neighborhood such that liquor establishments and trade become a dominant influence or neighborhood such t
feature of the district or neighborhood. feature of the district or neighborhood.

c.c. This section does not apply to businesses selling alcoholic beverages only for off-the-This section does not a
premises consumption and if less than 25 percent of the sales floor area is devoted to the sale premises consu
of alcoholic beverages. of alcoholic beverages.

(3) *Fraternities and sororities.* (3) *Fraternities and sororities.*

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a.a. The standard set forth in item (8) of subsection (a) above does not apply to fraternities and The standard set f
sororities. sororities.

b.b. In addition to the parking requirements for such uses specified in In addition to the parking requirements for
and sororities shall provide and maintain a parking access and management arrangement and sororities shall
sufficient to serve the parking and access demands associated with chapter meetings, formal sufficient to serv
and informal social activities, or other on-site events which include the attendance of persons and informal so
other than those who reside on the property. Such parking and access arrangements may other than those who
include, but are not limited to, the provision of additional on-site parking, the use of private include, but are n
off-premises parking, the use of public parking in municipal lots or on-street spaces, and the off-premises par
availability of bus or shuttle service or carpooling arrangements. availability of bus or shuttle service or carpo

(4) *Multiple-family dwellings in business districts.* Where multiple-family dwelling units are (4) *Multiple-family dwellings in business districts.* Where multiple-fa
provided in conjunction with business uses on a property in a business district, the following provided in conjunc
additional standards shall apply. additional standards shall apply.

a.a. Except where multiple-family dwelling units may be permitted as the sole principal use of a Except where m
building to provide unique housing opportunities which are not otherwise available in the building to provide
city center, at a minimum, the first floor of any building shall primarily be used for principal city center, at a
permitted business uses, and the number of multiple-family dwelling units and the permitted permitted busin
occupancy of the units shall be limited to maintain a reasonable balance between the business occupancy of t
and residential uses on the property consistent with the purpose of each business district. The and residential
provision of first floor retail may be waived by majority vote of the city council in the area of provision of fi
the B-3 district outside of the area bounded by Grand River Avenue, Bailey Street, Albert the B-3 district out
Avenue, Grove Street, Linden Street, Abbot Road, City Parking Lot 15, the north-south alley Avenue, Grove
west of Abbot Road and 200 West Grand River Avenue (The Peoples Church) where west of Abbot Road an
warranted by the existing retail opportunities in close proximity to the project. warranted by the existing reta

b.b. The number of multiple-family dwelling units, the permitted occupancy of the units and the The number of m
height and size of structures containing such units shall be limited to be compatible with height and size of st
adjacent development patterns and any nearby residential districts. adjacent development patterns and any ne

c.c. Reasonable amounts of yard areas and open space shall be provided where necessary to be Reasonable amou
consistent with surrounding use and development patterns and to provide for the privacy and consistent with
enjoyment of the residents. enjoyment of the residents.

d.d. The design, type and operational characteristics of the business and residential uses on the The design, type a
property shall be compatible with one another. property shall be compatible with one another.

e.e. The residential units shall be designed and marketed to diversify housing opportunities in the The residential
neighborhood and shall not increase existing high concentrations of similar housing units in neighborhood an
the neighborhood. Further, in the area west of Collingwood Drive within the district the neighborhood. Furth
boundaries of the City of East Lansing Downtown Development Authority, in order to boundaries of the City
achieve diversity in the types of housing offered in the area including an appropriate balance achieve diversit
of owner occupied housing, senior housing, low to moderate income housing, mixed-market of owner occupi
rental housing and other types of diverse housing in the area, for all development plans that rental housing an

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contain housing, an appropriate number of the dwelling units shall be marketed and/or sold as owner occupied housing or housing offered to and restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area so that at least 25 percent of the housing is owner occupied, restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area.

i. For the purposes of this section, "development" shall include more than one structure as long as multiple structures are part of the same site plan approval. The requirement of this section shall not apply to hotels.

ii. For any development that is constructed and occupied in excess of the 25 percent requirement of this section, the developer shall be given one credit for each residential unit in excess of the 25 percent. The credits, or any portion thereof, may be used by the developer, or the developer's assignee, as a credit, on a one for one basis, to meet the 25 percent requirement for future development projects in this area.

iii. Projects which exceed 25% percent diverse housing and are on properties located outside the DDA area west of Collingwood Drive with B2, B3, or EV zoning may transfer credits into the area in which the diverse housing requirement applies on a 2:1 basis.
For example, if a theoretical B2-zoned 100-unit project outside the diverse housing area includes 75 units of diverse housing, 50 of those units would exceed the 25% requirement, and thus credits for 25 units could be transferred to a proposed development in the diverse housing requirement area.

iv. Diverse housing units shall be provided by the development as units on-site, or may provide payment of a contribution fee-in-lieu of units, which fee shall be specified in section 50-32 of this chapter and calculated based on consistent with the formula adopted by annual resolution of City Council, the affordability gap method, or by a combination of housing unit development and contributions. The affordability gap model calculates the difference between the cost of an affordable and market rate unit over the lifetime of the unit, and utilizes the previous year's sales data, median housing size, and area median income. The calculation has two components and is based on the difference between the two:

(1) **A** (Median Market Rate Price for single-family dwelling units of 2,000 square feet or less) **(minus) B** (the Amount Affordable to a three-person household at 50% of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD) annually and including the standard costs of ownership such as principal, interest, taxes and insurance) = Affordability Gap

(2) To determine the per-square-foot-price, the Affordability Gap is divided by the median square footage for houses sold in the previous year.

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v.v. The fee-in-lieu shall be reviewed and revised annually pursuant to section 50-32 of this The fee-in-lieu s chapter. This review shall take into account adjusted data from the previous year, chapter. This review sl including but not limited to Median Market Rate Price for single-family dwelling units including but not of 2,000 square feet or less, the Amount Affordable to a three-person household at 50% of 2,000 square of the AMI as determined by HUD, and the median square footage for houses sold in the of the AMI as previous year. previous year.

vi.vi. Projects where the applicant or property owner objects to the fee-in-lieu payment on Projects where the grounds that it is a governmental taking or otherwise contrary to law, may appeal the grounds that it is a fee-in-lieu payment as part of their application for special use permit under this chapter. fee-in-lieu payn The planning commission shall review the objection and make a recommendation of The planning comm whether the fee is a governmental taking or otherwise contrary to law, under the whether the fee is a gov particular facts and circumstances of that case as explained in detail by the applicant as particular facts a part of its application for a special use permit. The planning commission's part of its application for a sp recommendation shall be transmitted to the city council as part of its review and recommendation shall b recommendation for special use permit, and the city council shall determine whether the recommendatio fee-in-lieu payment constitutes a governmental taking or is otherwise contrary to law as fee-in-lieu payn part of its review and action for a special use permit. The Planning Commission and City part of its revie Council may request additional information from the applicant or property owner or Council may reques staff, if it determines that insufficient information is provided by them to make a staff, if it determines th recommendation and determination. The applicant may appeal the final determination to recommendatio circuit court pursuant to MCR 7.122. circuit court pursuant to MCR 7.122.

vii.vii. The number of credits obtained for any development shall be calculated by the zoning The number of cr official and maintained in the city records. Any assignment of credits must be in writing official and mai and signed by the developer. The intent to use credits of this nature, the number of and signed by the dev credits intended to be used, the location of the development which created the credits, credits intended to and any documentation showing any assignment of the credits shall be submitted with and any documen the site plan or amended site plan. the site plan or amended site plan.

(5) (6) *Additional building height. Additional building height.*

a.a. Where a special use permit is required to permit building height above the base level Where a special use permitted in any use district, the compatibility of the building shall be determined in part permitted in any by the extent to which the use of the building and the building design, its setbacks and its by the extent to orientation on the site successfully mitigate negative impacts upon neighboring uses, the orientation on th natural features of the site and public facilities and services. Such buildings may be natural features of the approved only if they comply with subsection (a) of this section and all of the following approved only if additional standards: additional standards:

1.1. The building shall not be located in such proximity to a single-family or two-family The building sha neighborhood so as to cause excessive noise or shadowing impacts, or substantial neighborhood so as reductions in personal privacy or property values. The planning and zoning reductions in personal pri administrator may require the applicant to submit a solar angle diagram and shadow administrator ma

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analysis prepared by a registered architect or engineer showing the extent of analysis prepared by a re shadowing caused by the proposed building on adjacent properties and structures. shadowing caused

2.2. The portion of the building extending above the base level permitted in each use The portion of the bu district shall be located no closer to the property line of a residentially zoned property district shall be than a distance equal to the amount of the height in excess of the base level.than a distance equal to th

3.3. The building shall not result in traffic generation which exceeds the carrying capacity The building sh of adjacent streets, exceeds the parking capacity of on-site spaces or nearby municipal of adjacent str parking facilities, causes excessive congestion or risks to public safety, or causes or parking facilities, substantially contributes to excessive volumes of traffic through residential substantially contributes t neighborhoods.neighborhoods.

4.4. The building shall not generate demands which exceed the capacity of public utilities The building sh and services necessary to serve the site.and services necessary to serve the site.

b.b. In addition, the city council may further increase the maximum permitted building height In addition, the in the B-3 district as specified in section 50-593(f) for a building deemed to be of in the B-3 district as sp significant public benefit. The city council shall find, upon an affirmative vote of three-significant public fourths of all members of the city council, that such buildings meet subsections (5)a.1. fourths of all mem through 4., of this subsection and all of the following standards: through 4., of this subsection and all of t

1.1. The building, through its proposed use, shall contribute substantially to the mix of The building, throu desirable commercial, residential, social, cultural or employment opportunities or desirable commerci public amenities or open space available in the business district to achieve one or public amenities or more public goals or objectives, as specified in the comprehensive plan or other more public goals or strategic plan of the city, to benefit the business district, the adjacent residential or strategic plan of th public areas, and the city as a whole. public areas, and the city as a whole.

2.2. The applicant demonstrates that additional building height is necessary in order to The applicant dem make the proposed development economically feasible for the intended use and no make the propose reasonable alternative to additional height exists. reasonable alternative to additional height exists.

3.3. The additional building height will cause no significant additional negative impact on The additional adjacent properties, public streets and parking facilities, or public utility and services. adjacent proper

(6) *Dispensaries and primary caregiver operations.* The following additional standards shall apply to dispensaries and primary caregiver operations: (6) *Dispensaries and primary caregiver operations.* The following apply to dispensaries and primary caregiver operatio

a.a. They shall comply at all times and in all circumstances with the Medical Marihuana Act They shall comp and the General Rules of the Michigan Department of Community Health and/or the and the General Rul Department of Licensing and Regulatory Affairs. Department of Licensing and Regulatory Affairs.

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b.b. They must be located outside of a 1,000-foot radius from any school, including any They must be located licensed facility with after school programs, child care centers, or daycare centers, to licensed facility wit insure community compliance with federal "Drug-Free School Zones" requirements.insure community cc

c.c. No more than five primary caregivers may operate from a dispensary.No more than five primary caregive

d.d. All medical marihuana shall be contained within an enclosed, locked facility, inaccessible All medical ma on all sides and equipped with locks that permit access only by the registered caregivers, on all sides and as reviewed and approved by the building official and the police department.as reviewed and approved by

e.e. All necessary building, electrical, plumbing and mechanical permits shall be obtained for All necessary b any portion of the structure which contains electrical wiring, lighting and/or watering any portion of the s devices that support the cultivation, growing or harvesting of marihuana.devices that support the cultivati

f.f. Any portion of the structure where energy usage and heat exceeds typical residential use, Any portion of such as a grow room, and the storage of any chemicals such as herbicides, pesticides, and such as a grow fertilizers shall be subject to inspection and approval by the fire department to insure fertilizers shall be su compliance with the Michigan Fire Protection Code.compliance with the Michigan Fire Protection Code.

g.g. They shall not be operated from a business which sells alcoholic beverages.They shall not be operated fro

h.h. The establishment shall not be located in such proximity to churches or community The establishment sha centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities centers so as to anno conducted thereon or the persons conducting, attending, or traveling to or from such conducted thereon o premises.premises.

i.i. The establishment shall not cause or continue an undue concentration of similar uses in The establishmen the neighborhood such that dispensaries and medical marihuana paraphernalia trade the neighborhood suc become a dominant influence or feature of the district or neighborhood and no caregiver become a domin operation or dispensary shall be located within 500 feet of another caregiver operation or operation or dis dispensary.dispensary.

j.j. The establishment shall be designed, operated, and maintained at all times consistent with The establishm responsible business practices and so that no excessive demands shall be placed upon responsible busines public safety services, nor any excessive risk of harm to the public health, safety, or public safety service sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance sanitation, inter or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either or maintenance of within the establishment or on or about the adjacent businesses and public streets, alleys, within the estab parks, parking facilities, or other areas open to the public. The establishment shall make parks, parking fa reasonable effort to report to authorities any unlawful conduct that is observed from the reasonable effort premises. The requirements of this section shall be a written condition of each special use premises. The permit issued to a dispensary or caregiver operation.permit issued to a dispensary or caregiver operation.

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k.k. No drive-through facilities shall be permitted.No drive-through facilities shall be permitted.

l.l. They may not be operated out of a residence or residential structure.They may not be operated out of a re

m.mAll transfers and deliveries of medical marihuana to qualifying patients must occur within All transfers ar
the structure out of public view or inside the patient's residence.the structure out of public view or inside

n.n. The consumption of medical marihuana on the premises is prohibited.The consumption of medical marih

(7) Household pet daycares. The following additional standards shall apply to household pet (7) Household pet d
daycares: daycares:

a.a. Household pet daycare shall be located within a fully enclosed accessory structure Household pet daycar
meeting the requirements of the zoning code. Such accessory structure shall be located in meeting the req
the rear yard no closer than 100 feet from any adjoining dwelling and no closer than 25 the rear yard no c
feet from the dwelling of the owner thereof. feet from the dwelling of the owner thereof.

b.b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of The enclosure s
sufficient size to accommodate the animals, and shall be designed so as to prevent rats, sufficient size to a
mice, or other rodents from being harbored underneath, inside, or inside the walls of the mice, or other ro
enclosure. enclosure.

c.c. Outdoor activities must be supervised and restricted to the hours between 9:00 a.m. and Outdoor activitie
5:00 p.m.; and fully contained within a six-foot high solid fenced area in the rear yard. 5:00 p.m.; and full
The required fenced area shall be a minimum of 15 feet from the property line. A fence The required fenc
located on a property line shall not satisfy the requirement for a fenced area. located on a property line sh

d.d. Hours of operation shall be 12 hours or less and be restricted to the hours between 6:00 Hours of operatio
a.m. and 7:00 p.m. Animals shall be kept within the accessory structure or within a a.m. and 7:00 p.m. An
fenced area at all times unless leashed, and shall not be permitted to run at large. fenced area at all times u

e.e. All structures for the keeping of such animals shall be constructed of material that can be All structures fo
easily cleaned and shall be kept in a clean and sanitary condition. The required fenced easily cleaned and
area must be cleaned daily and kept free from trash and accumulated droppings. area must be cleaned dai
Appropriate disposal of droppings is required. All provisions of the city Code relating to Appropriate disp
noise, odor, and sanitation, including the provisions of this article, shall apply to the noise, odor, and sani
keeping of animals under this section. keeping of animals under this section.

(8) *Reduced building height.* Where a special use permit is required to permit building height (8) *Reduced building height.* Where a special us
below the level permitted in any use district, such buildings may be approved only if they below the level permit
comply with subsection (a) of this section and one of the following additional standards: comply with subsection

a.a. The proposed building is of a particular architectural style that has significant importance The proposed b
to the proposed use of the building or is deemed an architecturally significant addition to to the proposed

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the overall attractiveness of the district and the applicant has demonstrated that there is no the overall attr reasonable alternative to the height sought in achieving such attractive construction. reasonable alternativ

b.b. The proposed use contributes substantially to the mix of desirable commercial, The proposed use contribu residential, social, cultural or employment opportunities or public amenities or open residential, social, cu space available in the business district to achieve one or more public goals or objectives space available i as specified in the comprehensive plan or other strategic plan of the city, to benefit the as specified in the business district, the adjacent residential or public areas or the city as a whole. business district, the adjac

(9) (9) *Kennels, including small animal veterinary hospitals and clinics.* The following Kennels, including small animal veterinary hospitals and clinics. The following ad standards shall apply to kennels and small animal veterinary hospitals and clinics: standards shall apply to kenne

a.a. Pet daycare shall be located within a fully enclosed structure meeting the requirements of Pet daycare sha the zoning code. the zoning code.

b.b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of The enclosure s sufficient size to accommodate the animals, and shall be designed so as to prevent rats, sufficient size to a mice, or other rodents from being harbored underneath, inside, or inside the walls of the mice, or other ro enclosure. enclosure.

c.c. No outside exercise or training areas shall be located within 500 feet from any property No outside exerci zoned residential, excepting Residential Agricultural. zoned residential, excepting Residential Agricultura

d.d. Outdoor activities must be supervised and fully contained within a six-foot high solid and Outdoor activit opaque fenced area in the rear yard. The required fenced area shall be a minimum of 15 opaque fenced ar feet from the property line. A fence located on a property line shall not satisfy the feet from the property l requirement for a fenced area. requirement for a fenced area.

e.e. Hours of operation for outdoor activities shall be restricted as set forth in the special use Hours of operati permit. Animals shall be kept within a structure or within a fenced area at all times unless permit. Animal leashed, and shall not be permitted to run at large. leashed, and shall not be permitted to run at large.

f.f. All structures for the keeping of such animals shall be constructed of material that can be All structures fo easily cleaned and shall be kept in a clean and sanitary condition. The required fenced easily cleaned and area must be cleaned daily and kept free from trash and accumulated droppings. area must be cleaned dai Appropriate disposal of droppings is required. All provisions of the city Code relating to Appropriate disp noise, odor, and sanitation, including the provisions of this article, shall apply to the noise, odor, and sani keeping of animals under this section. keeping of animals under this section.

Section 2 of Ordinance. Repealer. Section 2 of Ordinance. Repealer.

All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed only to All ordinances the extent necessary to give this Ordinance full force and effect, and the City of East Lansing Code the extent nece of Ordinances shall remain in full force and effect, amended only as specified above. of Ordinances shall remain

Section 3 of Ordinance. Savings. Section 3 of Ordinance. Savings.

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All proceedings pending and all rights and liabilities existing, acquired, or incurred at the time this All proceeding Ordinance takes effect are saved and may be consummated according to the law in force when Ordinance tak they were commenced. they were commenced.

Section 4 of Ordinance. Severability. Section 4 of Ordinance. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, If any section, illegal, or ineffective by any court of competent jurisdiction, such section, clause, or provision illegal, or inef declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, declared to be but the remainder of this Ordinance shall stand and be in full force and effect. but the remainder of this Ordinanc

Section 5 of Ordinance. Effective Date. Section 5 of Ordinance. Effective Date.

The provisions of this Ordinance are hereby ordered to take effect immediately upon publication. The provisions

Section 6 of Ordinance. Enactment. Section 6 of Ordinance. Enactment.

This Ordinance is declared to have been enacted by the City Council of the City of East Lansing This Ordinanc at a meeting called and held on the _____ day of _____, 2026, and ordered to be given at a meeting ca publication in the manner prescribed by law. publication in the manner prescribed by law.

Moved by Council member: Moved by Council member:
Supported by Council member: Supported by Council member:

ADOPTED: ADOPTED:
Yeas: Yeas:
Nays: Nays:
Absent: Absent:

_____ _____
Mayor Erik Altmann Mayor Erik Altmann

Dated: _____, 2026 Dated: _____

CLERKS CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of CLERKS CERTI an Ordinance introduced at the East Lansing City Council meeting held on Tuesday, February an Ordinance intro 17, 2026, and adopted by the East Lansing City Council at its meeting held on 17, 2026, and adopted by the East _____, 2026, the original of which is part of the Council's minutes. _____, 20

_____ _____
Emily Gordon, City Clerk Emily Gordon, City Clerk
City of East Lansing City of East Lansing
Ingham and Clinton Counties, Michigan Ingham and Clinto

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Approved as to form: Approved as to form:

_____ _____

Steven P. Joppich, Esq. Steven P. Joppich, Esq.
East Lansing City Attorney East Lansing City Attorney

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Introduced: Introduced: February 17, 2026
Public Hearing: Public Hearing:
Adopted: Adopted:
Effective: Effective:

CITY OF EAST LANSING, MICHIGAN CITY OF EAST LANSING, MICHIG

ORDINANCE 1559 ORDINANCE 1559

AN ORDINANCE TO AMEND THE ZONING USE AN ORDINANCE TO AMEND
DISTRICT MAP OF CHAPTER 50 - ZONING - OF DISTRICT MAP OF CHAPTER
THE CODE OF THE CITY OF EAST LANSING THE CODE OF THE CITY OF EAST L

THE CITY OF EAST LANSING ORDAINS: THE CITY OF EAST LANSING ORDAINS:

Section 1 of Ordinance Section 1 of Ordinance

City of East Lansing City Code Chapter 50, *Zoning*, and the Zoning Map of the City Code Chapter 50, be amended as follows:

Sec. 50-94. - Standards for review. Sec. 50-94. - Standards for review.

(a) *(a) uses.* All uses. Except as may be provided elsewhere in this section or chapter, each special use Except as may be p permit application shall meet each of the following standards: permit application shall meet each of the following

(1)(1) The proposed use shall be consistent with the purpose of the use district in which it is located The proposed u and the purpose and provisions of this division. and the purpose and provisions of this division.

(2)(2) The site plan for the property shall be approved in accordance with the provisions of this division. The site plan for the pro 50-365 of this chapter. of this chapter.

(3)(3) The proposed size, height, architectural character and placement of new or expanded The proposed size, heig structures on the site shall be reasonably compatible with the existing or anticipated buildings structures on th on adjacent properties. on adjacent properties.

(4)(4) Streets and access facilities serving the site shall be able to safely accommodate the expected Streets and acc traffic generated by the proposed use; the use shall not cause excessive traffic congestion or traffic generated delays, obstruct access to adjacent properties, or imperil the safety of motorists, pedestrians delays, obstruct a or bicyclists. or bicyclists.

(5)(5) The proposed use shall not adversely affect the use and enjoyment of adjacent properties by The proposed us generating excessive noise, vibration, light, glare, odors or any other form of pollution or generating excessiv nuisances. nuisances.

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(6)(6) The proposed use shall not materially diminish the economic value of adjacent properties or The proposed us
the city as a whole. the city as a whole.

(7)(7) The proposed use shall not materially diminish the privacy, safety, security or enjoyment of The proposed us
any residential dwelling or residential neighborhood within the vicinity of the site. any residential dwelling o

(8)(8) The proposed use shall be located with direct access to and frontage on a major street as The proposed use sh
designated in the major street plan, or within an area designated for adaptive reuse in the city designated in th
center element of the comprehensive plan. center element of the comprehensive plan.

(b) *Specific uses.* In addition to the standards above, to address their unique characteristics, *Specific uses.* In addition to the sta
certain uses shall also meet the applicable standards below. certain uses shall also meet the applicable standards l

(1) *Churches.* (1) *Churches.*

a.a. Standards set forth in items (3) and (8) of subsection (a) above do not apply to churches. Standards set forth i

b.b. The minimum yard requirements of the use district in which the church is to be located shall The minimum y
apply except that in no event shall the yard requirement be less than 0.5 feet of yard to each apply except that
foot of building height (excluding steeples) as applied to rear yard or side yard depth. foot of building height

(2) *Businesses selling alcoholic beverages.* The following additional standards shall apply to (2) *Businesses selling alcoholic beverages.* The following add
restaurants and businesses licensed or to be licensed for the sale of alcoholic beverages or restaurants and busines
alcoholic liquor for consumption on or off the premises. alcoholic liquor for consumption on or off the premises.

a.a. The establishment shall not be located in such proximity to churches, elementary, or The establishment shall
secondary schools, child development centers, or community centers so as to annoy, injure, secondary school
offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons offend, disrupt, distu
conducting, attending, or traveling to or from such premises. This restriction may be waived conducting, atte
by city council at the request of the church, school district, child development center or by city council at the
community center whose location would otherwise prohibit the proposed use or, if there is an community cer
objection to the waiver of this restriction by the church, school or development of community objection to th
center, city council may waive this restriction only after hearing and good cause shown that center, city coun
the proposed establishment will not be in such proximity so as to annoy, injure, offend, the proposed establis
disrupt, disturb, or interfere with the activities of the particular church, school or disrupt, disturb, or interfere
development of community center. development of community center.

b.b. The establishment shall not cause or continue an undue concentration of similar uses in the The establishmen
neighborhood such that liquor establishments and trade become a dominant influence or neighborhood such t
feature of the district or neighborhood. feature of the district or neighborhood.

c.c. This section does not apply to businesses selling alcoholic beverages only for off-the-This section does not a
premises consumption and if less than 25 percent of the sales floor area is devoted to the sale premises consu
of alcoholic beverages. of alcoholic beverages.

(3) *Fraternities and sororities.* (3) *Fraternities and sororities.*

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a.a. The standard set forth in item (8) of subsection (a) above does not apply to fraternities and The standard set f
sororities. sororities.

b.b. In addition to the parking requirements for such uses specified in In addition to the parking requirements for
and sororities shall provide and maintain a parking access and management arrangement and sororities shall
sufficient to serve the parking and access demands associated with chapter meetings, formal sufficient to serv
and informal social activities, or other on-site events which include the attendance of persons and informal so
other than those who reside on the property. Such parking and access arrangements may other than those who
include, but are not limited to, the provision of additional on-site parking, the use of private include, but are n
off-premises parking, the use of public parking in municipal lots or on-street spaces, and the off-premises par
availability of bus or shuttle service or carpooling arrangements. availability of bus or shuttle service or carpo

(4) *Multiple-family dwellings in business districts.* Where multiple-family dwelling units are (4) *Multiple-family dwellings in business districts.* Where multiple-fa
provided in conjunction with business uses on a property in a business district, the following provided in conjunc
additional standards shall apply. additional standards shall apply.

a.a. Except where multiple-family dwelling units may be permitted as the sole principal use of a Except where m
building to provide unique housing opportunities which are not otherwise available in the building to provide
city center, at a minimum, the first floor of any building shall primarily be used for principal city center, at a
permitted business uses, and the number of multiple-family dwelling units and the permitted permitted busin
occupancy of the units shall be limited to maintain a reasonable balance between the business occupancy of t
and residential uses on the property consistent with the purpose of each business district. The and residential
provision of first floor retail may be waived by majority vote of the city council in the area of provision of fi
the B-3 district outside of the area bounded by Grand River Avenue, Bailey Street, Albert the B-3 district out
Avenue, Grove Street, Linden Street, Abbot Road, City Parking Lot 15, the north-south alley Avenue, Grove
west of Abbot Road and 200 West Grand River Avenue (The Peoples Church) where west of Abbot Road an
warranted by the existing retail opportunities in close proximity to the project. warranted by the existing reta

b.b. The number of multiple-family dwelling units, the permitted occupancy of the units and the The number of m
height and size of structures containing such units shall be limited to be compatible with height and size of st
adjacent development patterns and any nearby residential districts. adjacent development patterns and any ne

c.c. Reasonable amounts of yard areas and open space shall be provided where necessary to be Reasonable amou
consistent with surrounding use and development patterns and to provide for the privacy and consistent with
enjoyment of the residents. enjoyment of the residents.

d.d. The design, type and operational characteristics of the business and residential uses on the The design, type a
property shall be compatible with one another. property shall be compatible with one another.

e.e. The residential units shall be designed and marketed to diversify housing opportunities in the The residential
neighborhood and shall not increase existing high concentrations of similar housing units in neighborhood an
the neighborhood. Further, in the area west of Collingwood Drive within the district the neighborhood. Furth
boundaries of the City of East Lansing Downtown Development Authority, in order to boundaries of the City
achieve diversity in the types of housing offered in the area including an appropriate balance achieve diversit
of owner occupied housing, senior housing, low to moderate income housing, mixed-market of owner occupi
rental housing and other types of diverse housing in the area, for all development plans that rental housing an

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contain housing, an appropriate number of the dwelling units shall be marketed and/or sold as owner occupied housing or housing offered to and restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area so that at least 25 percent of the housing is owner occupied, restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area.

i. For the purposes of this section, "development" shall include more than one structure as long as multiple structures are part of the same site plan approval. The requirement of this section shall not apply to hotels.

ii. For any development that is constructed and occupied in excess of the 25 percent requirement of this section, the developer shall be given one credit for each residential unit in excess of the 25 percent. The credits, or any portion thereof, may be used by the developer, or the developer's assignee, as a credit, on a one for one basis, to meet the 25 percent requirement for future development projects in this area.

iii. Projects which exceed 25~~%~~ percent diverse housing and are on properties located outside the DDA area west of Collingwood Drive with B2, B3, or EV zoning may transfer credits into the area in which the diverse housing requirement applies on a 2:1 basis.
For example, if a theoretical B2-zoned 100-unit project outside the diverse housing area includes 75 units of diverse housing, 50 of those units would exceed the 25% requirement, and thus credits for 25 units could be transferred to a proposed development in the diverse housing requirement area.

iv. Diverse housing units shall be provided by the development as units on-site, or may ~~provide~~ payment of a ~~contribution~~ fee-in-lieu of units, which fee shall be specified in section 50-32 of this chapter and calculated based on the affordability gap method, or by a combination of housing unit development and contributions. The affordability gap model calculates the difference between the cost of an affordable and market rate unit over the lifetime of the unit, and utilizes the previous year's sales data, median housing size, and area median income. The calculation has two components and is based on the difference between the two:

(1) **A** (Median Market Rate Price for single-family dwelling units of 2,000 square feet or less) **(minus) B** (the Amount Affordable to a three-person household at 50% of the Area Median Income (AMI) as defined by the U.S. Department of Housing and Urban Development (HUD) annually and including the standard costs of ownership such as principal, interest, taxes and insurance) = Affordability Gap

(2) To determine the per-square-foot-price, the Affordability Gap is divided by the median square footage for houses sold in the previous year.

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v.v. The fee-in-lieu shall be reviewed and revised annually pursuant to section 50-32 of this The fee-in-lieu s chapter. This review shall take into account adjusted data from the previous year, chapter. This review sl including but not limited to Median Market Rate Price for single-family dwelling units including but not of 2,000 square feet or less, the Amount Affordable to a three-person household at 50% of 2,000 square of the AMI as determined by HUD, and the median square footage for houses sold in the of the AMI as previous year. previous year.

vi.vi. Projects where the applicant or property owner objects to the fee-in-lieu payment on Projects where the grounds that it is a governmental taking or otherwise contrary to law, may appeal the grounds that it is a fee-in-lieu payment as part of their application for special use permit under this chapter. fee-in-lieu payn The planning commission shall review the objection and make a recommendation of The planning comm whether the fee is a governmental taking or otherwise contrary to law, under the whether the fee is a gov particular facts and circumstances of that case as explained in detail by the applicant as particular facts a part of its application for a special use permit. The planning commission's part of its application for a sp recommendation shall be transmitted to the city council as part of its review and recommendation shall b recommendation for special use permit, and the city council shall determine whether the recommendatio fee-in-lieu payment constitutes a governmental taking or is otherwise contrary to law as fee-in-lieu payn part of its review and action for a special use permit. The Planning Commission and City part of its revie Council may request additional information from the applicant or property owner or Council may reques staff, if it determines that insufficient information is provided by them to make a staff, if it determines th recommendation and determination. The applicant may appeal the final determination to recommendatio circuit court pursuant to MCR 7.122. circuit court pursuant to MCR 7.122.

vii.vii. The number of credits obtained for any development shall be calculated by the zoning The number of cr official and maintained in the city records. Any assignment of credits must be in writing official and mai and signed by the developer. The intent to use credits of this nature, the number of and signed by the dev credits intended to be used, the location of the development which created the credits, credits intended to and any documentation showing any assignment of the credits shall be submitted with and any documen the site plan or amended site plan. the site plan or amended site plan.

(5) (6) *Additional building height. Additional building height.*

a.a. Where a special use permit is required to permit building height above the base level Where a special use permitted in any use district, the compatibility of the building shall be determined in part permitted in any by the extent to which the use of the building and the building design, its setbacks and its by the extent to orientation on the site successfully mitigate negative impacts upon neighboring uses, the orientation on th natural features of the site and public facilities and services. Such buildings may be natural features of the approved only if they comply with subsection (a) of this section and all of the following approved only if additional standards: additional standards:

1.1. The building shall not be located in such proximity to a single-family or two-family The building sha neighborhood so as to cause excessive noise or shadowing impacts, or substantial neighborhood so as reductions in personal privacy or property values. The planning and zoning reductions in personal pri administrator may require the applicant to submit a solar angle diagram and shadow administrator ma

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analysis prepared by a registered architect or engineer showing the extent of analysis prepared by a re shadowing caused by the proposed building on adjacent properties and structures. shadowing caused

2.2. The portion of the building extending above the base level permitted in each use The portion of the bu district shall be located no closer to the property line of a residentially zoned property district shall be than a distance equal to the amount of the height in excess of the base level.than a distance equal to th

3.3. The building shall not result in traffic generation which exceeds the carrying capacity The building sh of adjacent streets, exceeds the parking capacity of on-site spaces or nearby municipal of adjacent str parking facilities, causes excessive congestion or risks to public safety, or causes or parking facilities, substantially contributes to excessive volumes of traffic through residential substantially contributes t neighborhoods.neighborhoods.

4.4. The building shall not generate demands which exceed the capacity of public utilities The building sh and services necessary to serve the site.and services necessary to serve the site.

b.b. In addition, the city council may further increase the maximum permitted building height In addition, the in the B-3 district as specified in section 50-593(f) for a building deemed to be of in the B-3 district as sp significant public benefit. The city council shall find, upon an affirmative vote of three-significant public fourths of all members of the city council, that such buildings meet subsections (5)a.1. fourths of all mem through 4., of this subsection and all of the following standards: through 4., of this subsection and all of t

1.1. The building, through its proposed use, shall contribute substantially to the mix of The building, throu desirable commercial, residential, social, cultural or employment opportunities or desirable commerci public amenities or open space available in the business district to achieve one or public amenities or more public goals or objectives, as specified in the comprehensive plan or other more public goals or strategic plan of the city, to benefit the business district, the adjacent residential or strategic plan of th public areas, and the city as a whole. public areas, and the city as a whole.

2.2. The applicant demonstrates that additional building height is necessary in order to The applicant dem make the proposed development economically feasible for the intended use and no make the propose reasonable alternative to additional height exists. reasonable alternative to additional height exists.

3.3. The additional building height will cause no significant additional negative impact on The additional adjacent properties, public streets and parking facilities, or public utility and services. adjacent proper

(6) *(6) Dispensaries and primary caregiver operations.* The following additional standards shall The following apply to dispensaries and primary caregiver operations: apply to dispensaries and primary caregiver operatio

a.a. They shall comply at all times and in all circumstances with the Medical Marihuana Act They shall comp and the General Rules of the Michigan Department of Community Health and/or the and the General Rul Department of Licensing and Regulatory Affairs. Department of Licensing and Regulatory Affairs.

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b.b. They must be located outside of a 1,000-foot radius from any school, including any They must be located licensed facility with after school programs, child care centers, or daycare centers, to licensed facility wit insure community compliance with federal "Drug-Free School Zones" requirements.insure community cc

c.c. No more than five primary caregivers may operate from a dispensary.No more than five primary caregive

d.d. All medical marihuana shall be contained within an enclosed, locked facility, inaccessible All medical ma on all sides and equipped with locks that permit access only by the registered caregivers, on all sides and as reviewed and approved by the building official and the police department.as reviewed and approved by

e.e. All necessary building, electrical, plumbing and mechanical permits shall be obtained for All necessary b any portion of the structure which contains electrical wiring, lighting and/or watering any portion of the s devices that support the cultivation, growing or harvesting of marihuana.devices that support the cultivati

f.f. Any portion of the structure where energy usage and heat exceeds typical residential use, Any portion of such as a grow room, and the storage of any chemicals such as herbicides, pesticides, and such as a grow fertilizers shall be subject to inspection and approval by the fire department to insure fertilizers shall be su compliance with the Michigan Fire Protection Code.compliance with the Michigan Fire Protection Code.

g.g. They shall not be operated from a business which sells alcoholic beverages.They shall not be operated fro

h.h. The establishment shall not be located in such proximity to churches or community The establishment sha centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities centers so as to anno conducted thereon or the persons conducting, attending, or traveling to or from such conducted thereon o premises.premises.

i.i. The establishment shall not cause or continue an undue concentration of similar uses in The establishmen the neighborhood such that dispensaries and medical marihuana paraphernalia trade the neighborhood suc become a dominant influence or feature of the district or neighborhood and no caregiver become a domin operation or dispensary shall be located within 500 feet of another caregiver operation or operation or dis dispensary.dispensary.

j.j. The establishment shall be designed, operated, and maintained at all times consistent with The establishm responsible business practices and so that no excessive demands shall be placed upon responsible busines public safety services, nor any excessive risk of harm to the public health, safety, or public safety service sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance sanitation, inter or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either or maintenance of within the establishment or on or about the adjacent businesses and public streets, alleys, within the estab parks, parking facilities, or other areas open to the public. The establishment shall make parks, parking fa reasonable effort to report to authorities any unlawful conduct that is observed from the reasonable effort premises. The requirements of this section shall be a written condition of each special use premises. The permit issued to a dispensary or caregiver operation.permit issued to a dispensary or caregiver operation.

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k.k. No drive-through facilities shall be permitted.No drive-through facilities shall be permitted.

l.l. They may not be operated out of a residence or residential structure.They may not be operated out of a re

m.mAll transfers and deliveries of medical marihuana to qualifying patients must occur within All transfers ar the structure out of public view or inside the patient's residence.the structure out of public view or inside

n.n. The consumption of medical marihuana on the premises is prohibited.The consumption of medical marih

(7) Household pet daycares. The following additional standards shall apply to household pet (7) Household pet d daycares: daycares:

a.a. Household pet daycare shall be located within a fully enclosed accessory structure Household pet daycar meeting the requirements of the zoning code. Such accessory structure shall be located in meeting the req the rear yard no closer than 100 feet from any adjoining dwelling and no closer than 25 the rear yard no c feet from the dwelling of the owner thereof. feet from the dwelling of the owner thereof.

b.b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of The enclosure s sufficient size to accommodate the animals, and shall be designed so as to prevent rats, sufficient size to a mice, or other rodents from being harbored underneath, inside, or inside the walls of the mice, or other ro enclosure. enclosure.

c.c. Outdoor activities must be supervised and restricted to the hours between 9:00 a.m. and Outdoor activitie 5:00 p.m.; and fully contained within a six-foot high solid fenced area in the rear yard. 5:00 p.m.; and full The required fenced area shall be a minimum of 15 feet from the property line. A fence The required fenc located on a property line shall not satisfy the requirement for a fenced area. located on a property line sh

d.d. Hours of operation shall be 12 hours or less and be restricted to the hours between 6:00 Hours of operatio a.m. and 7:00 p.m. Animals shall be kept within the accessory structure or within a a.m. and 7:00 p.m. Ar fenced area at all times unless leashed, and shall not be permitted to run at large. fenced area at all times

e.e. All structures for the keeping of such animals shall be constructed of material that can be All structures f easily cleaned and shall be kept in a clean and sanitary condition. The required fenced easily cleaned and area must be cleaned daily and kept free from trash and accumulated droppings. area must be cleaned dai Appropriate disposal of droppings is required. All provisions of the city Code relating to Appropriate disp noise, odor, and sanitation, including the provisions of this article, shall apply to the noise, odor, and sani keeping of animals under this section. keeping of animals under this section.

(8) *Reduced building height.* Where a special use permit is required to permit building height (8) *Reduced building height.* Where a special use permit is required to permit building height below the level permitted in any use district, such buildings may be approved only if they below the level permit comply with subsection (a) of this section and one of the following additional standards: comply with subsection

a.a. The proposed building is of a particular architectural style that has significant importance The proposed b to the proposed use of the building or is deemed an architecturally significant addition to to the proposed

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the overall attractiveness of the district and the applicant has demonstrated that there is no the overall attr reasonable alternative to the height sought in achieving such attractive construction. reasonable alternativ

b.b. The proposed use contributes substantially to the mix of desirable commercial, The proposed use contribu residential, social, cultural or employment opportunities or public amenities or open residential, social, cu space available in the business district to achieve one or more public goals or objectives space available i as specified in the comprehensive plan or other strategic plan of the city, to benefit the as specified in the business district, the adjacent residential or public areas or the city as a whole. business district, the adjac

(9) (9) *Kennels, including small animal veterinary hospitals and clinics.* Kennels, including small animal The following standards shall apply to kennels and small animal veterinary hospitals and clinics: standards shall apply to kenne

a.a. Pet daycare shall be located within a fully enclosed structure meeting the requirements of Pet daycare sha the zoning code. the zoning code.

b.b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of The enclosure s sufficient size to accommodate the animals, and shall be designed so as to prevent rats, sufficient size to a mice, or other rodents from being harbored underneath, inside, or inside the walls of the mice, or other ro enclosure. enclosure.

c.c. No outside exercise or training areas shall be located within 500 feet from any property No outside exerci zoned residential, excepting Residential Agricultural. zoned residential, excepting Residential Agricultura

d.d. Outdoor activities must be supervised and fully contained within a six-foot high solid and Outdoor activit opaque fenced area in the rear yard. The required fenced area shall be a minimum of 15 opaque fenced ar feet from the property line. A fence located on a property line shall not satisfy the feet from the property requirement for a fenced area. requirement for a fenced area.

e.e. Hours of operation for outdoor activities shall be restricted as set forth in the special use Hours of operati permit. Animals shall be kept within a structure or within a fenced area at all times unless permit. Animal leashed, and shall not be permitted to run at large. leashed, and shall not be permitted to run at large.

f.f. All structures for the keeping of such animals shall be constructed of material that can be All structures fo easily cleaned and shall be kept in a clean and sanitary condition. The required fenced easily cleaned and area must be cleaned daily and kept free from trash and accumulated droppings. area must be cleaned dai Appropriate disposal of droppings is required. All provisions of the city Code relating to Appropriate disp noise, odor, and sanitation, including the provisions of this article, shall apply to the noise, odor, and sani keeping of animals under this section. keeping of animals under this section.

Section 2 of Ordinance. Repealer. Section 2 of Ordinance. Repealer.

All ordinances or parts of ordinances in conflict with this Ordinance are hereby repealed only to All ordinances the extent necessary to give this Ordinance full force and effect, and the City of East Lansing Code the extent nece of Ordinances shall remain in full force and effect, amended only as specified above. of Ordinances shall remain

Section 3 of Ordinance. Savings. Section 3 of Ordinance. Savings.

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All proceedings pending and all rights and liabilities existing, acquired, or incurred at the time this All proceeding Ordinance takes effect are saved and may be consummated according to the law in force when Ordinance tak they were commenced. they were commenced.

Section 4 of Ordinance. Severability. Section 4 of Ordinance. Severability.

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, If any section, illegal, or ineffective by any court of competent jurisdiction, such section, clause, or provision illegal, or inef declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, declared to be but the remainder of this Ordinance shall stand and be in full force and effect. but the remainder of this Ordinanc

Section 5 of Ordinance. Effective Date. Section 5 of Ordinance. Effective Date.

The provisions of this Ordinance are hereby ordered to take effect immediately upon publication. The provisions

Section 6 of Ordinance. Enactment. Section 6 of Ordinance. Enactment.

This Ordinance is declared to have been enacted by the City Council of the City of East Lansing This Ordinanc at a meeting called and held on the _____ day of _____, 2026, and ordered to be given at a meeting ca publication in the manner prescribed by law. publication in the manner prescribed by law.

Moved by Council member: Moved by Council member:
Supported by Council member: Supported by Council member:

ADOPTED: ADOPTED:
Yeas: Yeas:
Nays: Nays:
Absent: Absent:

_____ _____
Mayor Erik Altmann Mayor Erik Altmann

Dated: _____, 2026 Dated: _____

CLERKS CERTIFICATION: I hereby certify that the foregoing is a true and complete copy of CLERKS CERTI an Ordinance introduced at the East Lansing City Council meeting held on Tuesday, February an Ordinance intro 17, 2026, and adopted by the East Lansing City Council at its meeting held on 17, 2026, and adopted by the East _____, 2026, the original of which is part of the Council's minutes. _____, 20

_____ _____
Emily Gordon, City Clerk Emily Gordon, City Clerk
City of East Lansing City of East Lansing
Ingham and Clinton Counties, Michigan Ingham and Clinto

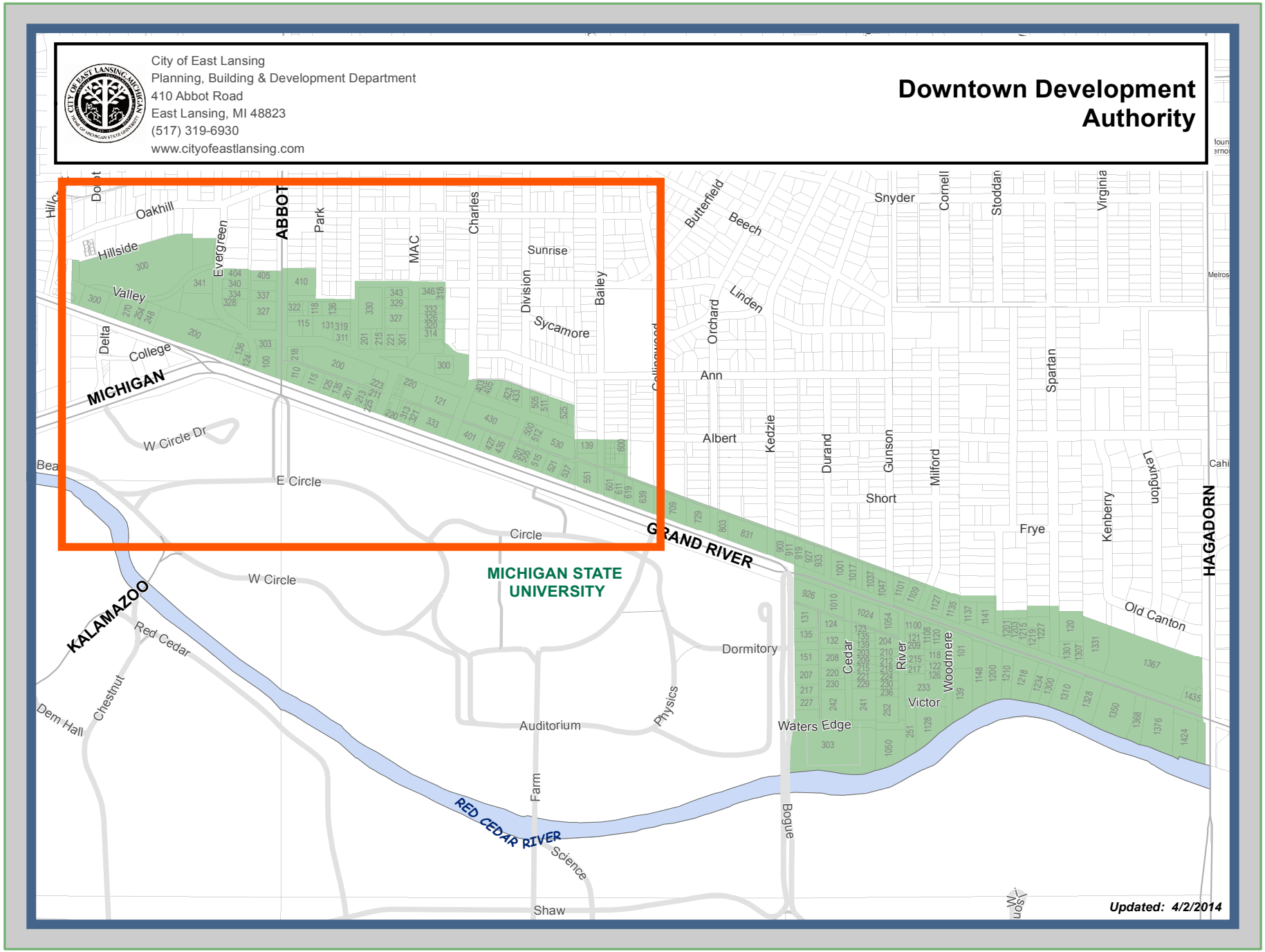
DRAFT

Approved as to form: Approved as to form:

_____ _____

Steven P. Joppich, Esq. Steven P. Joppich, Esq.
East Lansing City Attorney East Lansing City Attorney

DRAFT


City of East Lansing
Planning, Building & Development Department
410 Abbot Road
East Lansing, MI 48823
(517) 319-6930
www.cityofeastlansing.com
Downtown Development Authority
Oakhill
Hillside
Valley
Evergreen
ABBOT
Park
MAC
Charles
Sunrise
Division
Bailey
Sycamore
Butterfield
Beech
Snyder
Cornell
Virginia
Linden
Orchard
Spartan
Ann
Albert
Kedzie
Durand
Gunson
Milford
Short
Frye
Kenberry
Lexington
HAGADORN
Old Canton
Delta
College
MICHIGAN
W Circle Dr
E Circle
Circle
W Circle
GRAND RIVER
MICHIGAN STATE UNIVERSITY
KALAMAZOO
Red Cedar
Chestnut
Dem Hall
Dormitory
Cedar
River
Woodmere
Victor
Waters Edge
Auditorium
Physics
Farm
Science
Shaw
Bogue
RED CEDAR RIVER
Updated: 4/2/2014

Proposed Construction Cost Fee in-Lieu Model

Staff Recommendation

City of East Lansing

In reviewing the research that staff collected on fee in-lieu programs throughout the country, there was no clear standard approach. In order to simplify the fee in-lieu program for East Lansing, staff are recommending a Construction Cost Model. Below is an example of how residential construction costs would be used to determine a fee in-lieu. Also, examples from three prior downtown developments are calculated to show what their fee in-lieu would have been based on their construction costs. An important note to consider when reviewing these examples is that the cost of new construction has grown significantly since these developments were built. With that in mind, we have also provided a hypothetical scenario using more realistic 2026 cost considerations to show what the fee in-lieu might look like if those same projects were built today.

Construction Cost Calculation:

Step 1: Determine Construction Cost and total number of floors for the building

Step 2: Divide Construction cost by number of total floors = cost per floor

Step 3: Multiply Residential floors by the cost per floor = Total residential construction cost

Step 4: Multiply residential construction cost by 10%, 8%, or 5% = Fee in-Lieu

The Planning Commission should also consider using square footage as the basis for this calculation, which would account for a mix of uses within one floor.

Example using Prior Downtown East Lansing Housing Development

Construction Costs Calculation			
	The Hub	**The Abbot**	**Landmark**
Total Construction Cost as built	$49,384,150.00	$40,250,000.00	$45,290,761.00
Total Floors	10	13	12
Construction Cost Per Floor	$4,938,415.00	$3,096,153.85	$3,774,230.08
Number of Residential Floors	8	10	10
Residential Construction Cost	$39,507,320.00	$30,961,538.50	$37,742,300.80
10% Fee in Lieu	$3,950,732.00	$3,096,153.85	$3,774,230.08
8% Fee in Lieu	$3,160,585.60	$2,476,923.08	$3,019,384.06
5% Fee in Lieu	$1,975,366.00	$1,548,076.93	$1,887,115.04

**These developments were built between 2017-2019 and the calculations are based on their actual costs*

Hypothetical Example Using 2026 construction cost

2026 Hypothetical Construction Costs Calculation			
	The Hub	**The Abbot**	**Landmark**
Total Est. Construction Cost in 2026	$64,199,395.00	$52,325,000.00	$58,877,989.30
Total Floors	10	13	12
Construction Cost Per Floor	$6,419,939.50	$4,025,000.00	$4,906,499.12
Number of Residential Floors	8	10	10
Residential Construction Cost	$51,359,516.00	$40,250,000.00	$49,064,991.20
10% Fee in Lieu	$5,135,951.60	$4,025,000.00	$4,906,499.12
8% Fee in Lieu	$4,108,761.28	$3,220,000.00	$3,925,199.30
5% Fee in Lieu	$2,567,975.80	$2,012,500.00	$2,453,249.56

**These are hypothetical calculations assuming a 30% increase in construction costs*

Given the significant rise in construction costs, the staff recommendation is a **5% fee in-lieu calculation for residential construction costs**. Additionally, staff would recommend the construction cost percentage be evaluated every 2-3 years, to review market conditions and adjust accordingly. The above example's prior developments yield comparable results to a formula using the "Affordability Gap" method for residents with an income equal to or less than 80% of Area Median Income (AMI). Staff are recommending the residential cost method over AMI for two reasons. First, the cost model is easier to understand for developers and residents. Second, it is the opinion of staff that AMI would be more suitable if we were only seeking affordable housing. The city is committed to growing diverse housing options, residential construction cost is a more appropriate measure.

To encourage Mass Timber and LEED certified buildings, the staff recommendation is a reduced fee in-lieu with either a 4% (1% reduction) or 3% (2% reduction) calculation.

Mass Timber/LEED Construction Costs Calculation Example	
ADDRESS: 123 Street	
Total Construction Cost	$80,000,000.00
Total Floors	10
Construction Cost Per Floor	$8,000,000.00
Number of Residential Floors	8
Residential Construction Cost	$64,000,000.00
4% Fee in Lieu	$2,560,000.00
3% Fee in Lieu	$1,920,000.00

Affordability Gap Fee In Lieu Model
City of East Lansing

The Affordability Gap Fee-In-Lieu method follows a defined set of steps to determine the affordability gap on a per-square-foot basis. The outline below describes how the Affordability Gap Model is applied to calculate the Fee In Lieu amount.

Affordability Gap Calculation:

The first step in estimating the affordability gap is determining a representative market price for a typical single-family home. The market price is intended to reflect prevailing conditions for homes under 2,000 Sq. Ft.

The City Assessor provides the prior year sales report which includes the Residential Sales of 2,000 Sq. Ft. or less, which is used to calculate the median sale price per sq. ft. and median home size in sq. ft. Median values normalize the estimate for unit size and reduce the influence of outliers.

Step 1. Calculate the Median Sale Price Per Sq. Ft.

Step 2. Calculate the Median Home Size in Sq. Ft.

Step 3. Determine the market price of a typical single-family home, 2,000 Sq. Ft. or less.

Market Price = Median Price Per Sq. Ft. x Median Home Size

Step 4. Determine the affordable home price – maximum purchase price, for the target household by applying HUD affordability standards and subtracting non-mortgage costs from the household's budget, limiting housing costs to 30% of the gross household income.

Annual Housing Budget = Gross Household Income x 30%

Step 5. Determine Non-Mortgage Ownership Costs of property taxes, homeowner's insurance.

Non-Mortgage Ownership Costs = Property Taxes + Homeowner's Insurance

Step 6. Calculate Mortgage Payment Capacity. The amount remaining represents the maximum mortgage payment capacity available for principal and interest.

Mortgage Capacity = Annual Housing Budget – Non-Mortgage costs

Step 7. Calculate the Affordable Home Price by converting the monthly mortgage payment capacity into a mortgage loan amount.

Annual Housing Budget – Non-Mortgage ownership costs ÷ 12

Affordable Home Price = Maximum Mortgage Loan Amount ÷ .95 (Downpayment)

Step 8. Calculate the Affordability Gap

Affordability Gap = Market Price Home – Affordable Home Price

Step 9. Convert affordability gap to per Sq. Ft. fee. This fee rate represents the estimated contribution required per Sq. Ft. of residential area to offset the affordability gap.

Sq. Ft. Fee Rate = Affordability Gap ÷ Median Home Size

Step 10. Fee In Lieu Calculation Approach

Average Unit Size = Total Residential Square Footage ÷ Total Residential Units

Affordable Housing Requirement (25%)

Required Number of Affordable Units = Total Units x 25%

Estimated Fee in Lieu = Affordable Units x Average Sq. Ft. x Sq. Ft. Fee

Below are the examples, for illustrative purposes only, for 233 Abbot, 918 E. Grand River Ave. and 205 E. Grand River Ave.

Household Size: 3
Area Median Income (AMI) 50%, 60% and 80%

233 Abbot Rd.	50% AMI	60% AMI	80% AMI
Fee Per Sq. Ft.	$170	$143	$87
Fee In Lieu	$5,855,990	$4,925,921	$2,996,889

918 E. Grand River Ave.	50% AMI	60% AMI	80% AMI
Fee Per Sq. Ft.	$170	$143	$87
Fee In Lieu	$8,037,388	$6,760,861	$4,113,251

205 E. Grand River Ave.	50% AMI	60% AMI	80% AMI
Fee Per Sq. Ft.	$170	$143	$87
Fee In Lieu	$7,332,780	$6,168,162	$3,752,658

A = market price (from your per-sf data × median size)
B = affordable price (from AMI assumptions) **(the maxim home price a trage household can afford**
A – B = affordability gap
Fee rate ($/sf) = (A – B) ÷ 1,410

Market Price Calculation (A)

2025 Median Market Rate price for single- famly home <2000 sf

Median Price per SF		Median home size		
213	x	1,410	=	$ 300,330

Affordable Price Calculation (B)

Income and Affordablity

2025 Income Limit		HUD housing affordability		
$ 45,350	x	0.3	=	**$ 13,605**

Non Mortgage Ownership Costs

Taxes (EL PRE - EL schools)		Insurance		
$ 7,392	+	$ 2,000	=	$ 9,392

Mortage Payment Capacity

Income and Affordablity	$ 13,605	Non Mortgage Ownership Costs	=	$ 4,213
		Converted to Monthly Payment		351.11

Affordable Home Price

Maximum Mortgage Loan Amount (Present value of the monthly payment based on the loan interest rate and term) $57,205.71

Maxium Mortage Loan Amount		Down payment		
$57,205.71	÷	0.95	=	$ 60,217

Affordability Gap Calculation (A-B)

Market Price		Affordable Home Price		
$ 300,330	-	$ 60,217	=	$ 240,113

Fee per square foot

Afforedablity Gap		Sqaure Feet		
$ 240,113	÷	1,410	=	170.00

Inputs

Millage Rate	49.2234
Loan rate	0.0622
term	30

Proposed Fund Management Framework

Staff Recommendation

City of East Lansing

Staff recommends City Council establish a Committee or Commission, for the purpose of evaluating applications for financial support related to supportive housing activities, development and programs. All applications reviewed by this body must be evaluated in accordance with the guidelines approved by City Council, which support the diverse housing requirement (affordable, 55+, owner-occupied).

The Committee or Commission will review all applications, prepare recommendations for approval or denial and forward its recommendations to City Council. City Council would have final authority to approve or deny any applications. This body would also provide annual reports on the funding impacts and would provide recommendations for program improvements.

FEE IN LIEU
CALCULATIONS ARE FOR ILLUSTRATIVE PURPOSES ONLY

AMI = Area Median Income

Columbus, OH Model	Option #1	Option #2	Fee Per Unit
	20% Units	30% Units	$40,165.21
233 Abbot	$1,574,476.23	$2,361,714.35	
205 E. Grand River Ave.	$2,193,020.47	$3,289,530.70	
918 E. Grand River Ave.	$2,787,465.57	$4,181,198.36	

***Each August 1, the fee is updated by the percentage increase in CIP-U (U.S. City Average, all Items, Not Seasonally Adjusted) plus 5 percentage points.**

Borough of State College, PA Model	10% Units	Fee Per Unit
		$159,585.00
233 Abbot	$3,127,866.00	
205 E. Grand River Ave.	$4,356,670.50	
918 E. Grand River Ave.	$5,537,599.50	

04/03/26 Update: Fee is set annually based on actual construction cost of a unit and land costs
Housing Costs: 129,000; land $30,585

Iowa City, IA Model	10% Units	Fee Per Unit
		$113,065.00
233 Abbot	$2,216,074.00	
205 E. Grand River Ave.	$3,086,674.50	
918 E. Grand River Ave.	$3,923,355.50	

*** Fee in lieu methodology compares the financial value of a 100% market-rate development to that of a development with 10% affordable units. The difference in value between the two scenarios is the basis of the fee. The fee is updated biennially using current market data.**

Bloomington, IN Model	15% Bedrooms	15% Bedrooms
Fee Per Bedroom	$20,000.00	$50,000.00
233 Abbot	$1,440,000.00	$3,600,000.00
205 E. Grand River Ave.	$1,640,000.00	$4,100,000.00
918 E. Grand River Ave.	$1,600,000.00	$4,000,000.00

Fee is $20,000 but is expect to increase soon; potentially up to $50,000

Evanston, IL Model	15% Bedrooms
233 Abbot	$19,876,200.00
205 E. Grand River Ave.	$25,590,150.00
918 E. Grand River Ave.	$29,802,300.00

Studio	$405,000
1 bedroom	$481,000
2 bedroom	$711,000
3 bedroom	$1,070,000
4 bedroom	$1,429,000

Adjusted Annual based on CPI

FEE IN LIEU - 10%
CALCULATIONS ARE FOR ILLUSTRATIVE PURPOSES ONLY

AMI = Area Median Income

Ann Arbor, MI Model	10% Units	10% Units	10% Units
	50% AMI	60% AMI	80% AMI
Fee Rate:	$170 per sq. ft	$143 per sq. ft.	$87 per sq. ft.
233 Abbot	$2,390,200.00	$2,010,580.00	$1,223,220.00
205 E. Grand River Ave.	$3,008,320.00	$2,530,528.00	$1,539,552.00
918 E. Grand River Ave.	$3,242,750.00	$2,727,725.00	$1,659,525.00

***Fee is based on the affordability gap calculation using prior calendar year home sales of 2,000 sq. ft. or less, avg. sq. ft., 30% household income and AMI .**

Columbus, OH Model	Option #1	Fee Per Unit
	10% Units	$40,165.21
233 Abbot	$787,238.12	
205 E. Grand River Ave.	$1,096,510.23	
918 E. Grand River Ave.	$1,393,732.79	

***Each August 1, the fee is updated by the percentage increase in CIP-U (U.S. City Average, all Items, Not Seasonally Adjusted) plus 5 percentage points.**

Borough of State College, PA Model	10% Units	Fee Per Unit
		$159,585.00
233 Abbot	$3,127,866.00	
205 E. Grand River Ave.	$4,356,670.50	
918 E. Grand River Ave.	$5,537,599.50	

04/03/26 Update: Fee is set annually based on actual construction cost of a unit and land costs
Housing Costs: 129,000; land $30,585

Iowa City, IA Model	10% Units	Fee Per Unit
		$113,065.00
233 Abbot	$2,216,074.00	
205 E. Grand River Ave.	$3,086,674.50	
918 E. Grand River Ave.	$3,923,355.50	

*** Fee in lieu methodology compares the financial value of a 100% market-rate development to that of a development with 10% affordable units. The difference in value between the two scenarios is the basis of the fee. The fee is updated biennially using current market data.**

Bloomington, IN Model	10% Bedrooms	10% Bedrooms
Fee Per Bedroom	$20,000.00	$50,000.00
233 Abbot	$960,000.00	$2,400,000.00
205 E. Grand River Ave.	$1,100,000.00	$2,750,000.00
918 E. Grand River Ave.	$1,080,000.00	$2,700,000.00

Fee is $20,000 but is expect to increase soon; potentially up to $50,000

Ann Arbor, MI

Management of Fee In Lieu

The Ann Arbor Affordable Housing Fund is a dedicated special revenue account managed by the City and used exclusively to support affordable housing initiatives. Project applications are made available through the Washtenaw County Office of Community & Economic Development (OCED). OCED staff review submitted materials and present their findings to the Housing & Human Services Advisory Board (HHSAB). The HHSAB then forwards recommended projects to City Council for final consideration.

Success of the Fee In Lieu

Between 2023 and 2025, Ann Arbor collected $18.5 million in fee-in-lieu payments. We are currently awaiting a response from City staff regarding how these funds have been allocated. The staff members who can provide this information have been out of the office. Once we receive their update, we will revise the report accordingly.

Columbus, Ohio

Management of Fee in Lieu Funds

The Fee-in-Lieu program, established in 2018, has generated approximately $9 million to date. These funds are administered by the City and used to support the operation of a homebuyer down-payment assistance program.

Success of the Fee In Lieu Program

An annual report is released each September to document program performance. In Program Year 2024, projects utilizing the Fee-in-Lieu option contributed a total of $2,024,280.

Iowa City, IA

Management of Fee In Lieu

The Fee-in-Lieu program, established in 2016, has generated approximately $5.8 million to date. These funds are administered by the City and are designated to support the development of affordable housing within the Riverfront Crossings area.

Success of the Fee In Lieu

Three projects, representing nearly 600 housing units, opted to use the Fee-in-Lieu option. The City explored investing these funds in a Low-Income Housing Tax Credit (LIHTC) development within the Riverfront Crossings area; however, that opportunity is no longer expected to proceed. The City remains committed to directing the collected fees toward the creation of new housing units with long-term affordability.

Bloomington, IN

Management of Fee In Lieu

The Bloomington Housing Development Fund (HDF) is administered by the Department of Housing and Neighborhood Development (HAND). The fund was established to expand the supply of safe, affordable housing for Bloomington residents earning up to 120% of the area median income, with monthly rental costs set at no less than 20% of household income. The HDF provides low-cost loans and grants to support the development of affordable housing.

Success of the Fee In Lieu

We are currently awaiting a response from City of Bloomington staff, who have been out of the office. Once we receive the necessary information, we will update the report.

Borough of State College, PA

Management of Fee In Lieu

The Fee-in-Lieu program, established in 2011 to advance the Borough of State College's mission of expanding housing opportunities, has generated $4,989,275 through 2022 and has expended $2,905,421 to date, with an additional $3,800,860 anticipated from two pending projects.

Success of the Fee In Lieu

A total of $2,905,215 has been expended, resulting in the creation of 30 units, 10 rental units and 20 first-time homebuyer units. Private-sector developers have produced an additional 29 units through the use of Fee-in-Lieu contributions.

Planning Commission

AGENDA ITEM REPORT

To: Planning Commission

Subject: Consideration of Ordinance 1559, which would amend Sec. 50-94 of the Zoning Ordinance, which defines a diverse housing requirement in downtown East Lansing. The amendment would allow for a fee to be paid in lieu of meeting the requirement, define a formula for that fee, and allow for the transfer of diverse housing credits from areas outside of downtown.

Meeting: Planning Commission - 08 April 2026

Department: Planning, Building, and Housing

Staff Contact: Landon Bartley, Principal Planner

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BACKGROUND INFORMATION:

Proposed ordinance 1559 would modify the City's downtown diverse housing requirement.

City Council introduced and referred to the Planning Commission the attached ordinance on February 17, 2026. The Planning Commission will now hold a public hearing for the proposed ordinance, then vote on a recommendation for action by Council. Following the Planning Commission's recommendation, City Council will schedule another public hearing, then hold that public hearing, then make a decision to adopt or deny the proposed ordinance.

Video of Council's February 17, 2026 discussion (Agenda Item 5.1)

There was some discussion as to whether the following are appropriate:

- A fee based on 50% AMI vs. higher AMI (such as **80%**). Using a higher AMI would result in a lower per-square-foot rate.
- A ratio of less than 2:1 for transferring credits from outside of downtown (consider lower, such as 1.1:1 or **1.2:1**)
- Considering a different base diverse housing requirement or with different boundaries. One councilmember suggested **10%** rather than 25%. There has also been some discussion about changing the area in which the requirement applies. Particularly if the requirement is reduced from 25%, it may make sense to expand the area in which diverse housing is required.

At Council's request, Planning staff reported back on the Commission's March 25 discussion at the Council meeting on April 7. Councilmembers discussed options at some length and requested recommendations from the Planning Commission and Planning staff.

Background

Ordinance 1384 was adopted in November 2016, and amended the Zoning Ordinance by establishing a diverse housing requirement in certain areas of downtown East Lansing.

The diverse housing requirement in Section 50-94 requires that 25% of units for any proposed multi-family residential development within the core downtown area of East Lansing (specifically those properties within the DDA district west of Collingwood Avenue) be owner-occupied, priced to be affordable for low-moderate income residents, restricted to residents aged 55 or older, or some other way of increasing the diversity of housing types within downtown. There is also a mechanism which allows one development with a number of units **exceeding** the minimum 25% requirement to transfer, on a per-unit basis, credit for their units to a different project which would not otherwise meet this requirement.

Early in 2025, a prospective developer spoke with Councilmembers and the City Manager about their interest to construct a new building in downtown East Lansing which would be subject to that diverse housing requirement. However, that developer had concerns about their projects viability if they were to provide the diverse housing units on site, and requested alternative methods of meeting the requirement, including fee-in-lieu.

City Manager Robert Belleman sent a memorandum to the Planning Commission in July 2025 which discussed potential alternative pathways to compliance, including a fee-in-lieu program. The Planning Commission discussed these suggestions at length, and ultimately suggested consideration by Council of all five options, as well as four more brought by staff. Council discussed those options at length, and in October 2025 directed staff to develop a proposal for a **fee-in-lieu program** and to allow **transfer of credits from projects outside downtown**.

Fee-In-Lieu Program

The proposed fee-in-lieu program establishes a fee that would be paid by the developer instead of providing diverse housing units on site.

The fee would be calculated based on the "affordability gap." The affordability gap is the difference between the market price (average sale price of a single-family house with fewer than 2,000 floor area AND sold in the City during the previous calendar year), and an affordable price (that which could be afforded by a very low-income - 50% AMI - family of four). This affordability gap, once determined, is then used to calculate a fee in lieu for the purposes of diverse housing.

Accounting consultant Maner Costerisan performed an audit to determine the fees that would have been assessed to The Abbot, The Hub, and The Landmark.

In their report to determining the proposed fee, Maner Costerisan found that **184** single-family houses of 2,000 sq. ft. or less were sold in the City of East Lansing during calendar year 2025. The average sales price for those houses was **$213 per square foot** (psf), and the average size of those houses was **1,410** square feet. This equates to market price of **$300,330**.

In 2025, a family of three (3) equal to 50% of the Area Median Income had an annual income of **$45,350**, according to the U.S. Department of Housing and Urban Development (HUD). Using up to 30% of that income to cover housing costs (the general benchmark used to determine if housing is considered "affordable"), that family could afford a house with a price of **$60,217**.

The difference between the market price (**$300,330**) and affordable price for a 50% AMI family of four (**$60,217**) is **$240,113**. This is then divided by the number of square feet of the average single-family home sold in the previous calendar year (**1,410**).

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$240,113 / 1,410 = **$170** per square foot.

This fee would be paid on a per-square-foot basis which would be calculated based on 25% of the total square footage of residential space in the proposed building.

The analysis was also performed using 60% and 80% AMI data for comparison purposes. 60% AMI equates to an annual income of $54,420 for a family of three, and 80% AMI equates to an income of $72,600. If the fee-in-lieu were to be adjusted for 60% AMI, it would be **$143** per square foot. For 80% AMI, it would be **$87** per square foot.

Maner Costerisan considered how employing a fee in lieu of providing diverse housing units on site would have affected three recent development projects: The Abbot (100 W. Grand River *aka* 233 Abbot), The Landmark (205 E. Grand River), and The HUB (918 E. Grand River).

At its March 25 meeting, the Planning Commission expressed general agreement with using the affordability gap method proposed by City staff, which is similar to Ann Arbor's approach. This method determines the gap between the average home sale price in the previous year compared to the ability of a prospective homeowner with an income lower than that of the area median income (AMI).

Ordinance 1559 as introduced would set a Fee In Lieu based on a prospective homeowner with an income of **50%** of AMI. This level is considered "very low income" and is lower than the 80% AMI (low- to moderate-income) typically used for housing incentives or assistance.

The 80% AMI figure can be found online at https://www.cityofeastlansing.com/253/HUD-Income-Qualifications, broken down by number of people within the household.

Calculating the affordability gap for 50% AMI pricing for a 25% diverse housing requirement, the Fee would be set at $170 per sq. ft. of residential floor area in the proposed project, which Planning Commissioners generally considered to be too high.

However, there was also interest in reducing the diverse housing requirement altogether, echoing Councilmember Whelan's comments at the March 17 Council meeting. Specifically, a reduction of the requirement from 25% to 10% was considered. Should the requirement be reduced, the per-square-foot rate may stay the same but apply to a smaller area of the building.

Table 1 below shows what three large projects constructed in East Lansing in the last ten years *would have* paid for a Fee in Lieu, for 25% of units/residential space. Comparisons are provided for 50%, 60%, and 80% AMI. This is the same table that was previously presented to Planning Commission and Council for discussion. If the diverse housing requirement is maintained at 25%, staff recommends using the 80% AMI to calculate the fee (which results in $87 psf).

Table 1. Hypothetical Fee in Lieu with current 25% requirement.

	50% AMI ($170 psf)	**60% AMI** ($143 psf)	**80% AMI** ($87 psf)
The Abbot	$5,855,990	$4,925,921	$2,996,889
The Landmark	$7,332,780	$6,168,162	$3,752,658
The HUB	$8,037,388	$6,760,861	$4,113,251
Total	**$21,226,158**	**$17,854,944**	**$10,862,798**

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Table 2 considers the amount paid in this scenario if the requirement were to be reduced from 25% to 10%. If this is done, staff recommends using 50% AMI to calculate the fee (which results in a higher psf rate but fewer square feet to which the rate applies).

Table 2. Hypothetical Fee In Lieu with reduced 10% requirement

	50% AMI ($170 psf)	**60% AMI** ($143 psf)	**80% AMI** ($87 psf)
The Abbot	$2,342,396	$1,970,368	$1,198,756
The Landmark	$2,933,112	$2,467,265	$1,501,063
The HUB	$3,214,955	$2,704,344	$1,645,300
Total	**$8,490,463**	**$7,141,978**	**$4,345,119**

Should a Fee-In-Lieu be implemented, it may be worth considering how the fee could affect the viability of a development project, how the fee would be absorbed/passed along, and the purposes for which funds received would be used.

One developer suggested reducing the fee by an amount or percentage as an incentive for providing specific community needs or amenities. Such amenities could include:
- LEED certification of the building
- Use of mass timber for a majority of building materials
- Providing low-cost or free car-share on site
- Providing tenants with annual transit passes
- Providing a green roof, green wall, or similar
- Providing additional off-site community amenities

This approach is similar to Ann Arbor's, in which the Council theoretically decides upon a fee-in-lieu formula on an annual basis based on market conditions and needs at that time.

Staff reviewed approaches used in several other communities, including Columbus, OH; Iowa City, IA; Bloomington, IN; and Evanston, IL. Each of these jurisdictions applies a fee structure based on either a per-unit or per-bedroom methodology. The Borough of State College, PA bases its fee on actual construction costs, and staff has also considered whether such an approach could be appropriate in East Lansing.

At the March 25 meeting, the Planning Commission requested information about those communities' programs, including how it is managed and whether it is considered to have been successful. This analysis has been completed and is included as an attachment to this agenda item report (**"College Town Fee-in-Lieu Analysis"**).

That attachment includes a spreadsheet showing the fees that *would have been* assessed to The Abbot, The Hub, and The Landmark using the methodologies utilized by the different jurisdictions, as well as more details about each program's management and metrics for success.

The calculations and methodology and are intended to demonstrate how various methodologies could be applied using the three past projects as examples, based on the available information regarding the fee-in-lieu.

Staff looked at several other cities as well, for comparison purposes.

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Minneapolis, MN uses a different approach, assessing fees based on the net residential area, with a different per net residential area sq. ft. fee for buildings up to seven stories and buildings eight stories or taller.

Seattle, WA administers a Mandatory Housing Affordability (MHA) program that requires most commercial, residential, and live-work developments to contribute to affordable housing. Developers may either include affordable units within their projects or pay a fee into a dedicated housing fund. Fees are calculated using a dollar per sq. ft. rate that varies by zoning.

Eugene, OR uses a Construction Excise Tax set at 0.5% of the value of permitted work for improvements that create a new structure, add square footage to an existing structure, or add new living space.

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Finally, the Commission should consider, and seek to recommend to Council:

1. Preferred methods to regularly revisit the Fee-In-Lieu formula to respond to changes to the Consumer Price Index (CPI) and other market conditions,
2. Appropriate metrics of success for an East Lansing program,
3. How funds received through the Fee-In-Lieu program would be managed and disbursed.

Transfer of Credits from Other Developments

Section 50-94(b)(4)(e) provides a mechanism which allows one development with a number of units **exceeding** the minimum 25% requirement to transfer, on a per-unit basis, credit for their units to a different project which would not otherwise meet this requirement. A development could send their credits to another development project which would receive those credits.

Under the current regulations, both "sender" and "receiver" projects must be located within the diverse housing requirement area (the DDA area west of Collingwood Rd.). Proposed new subsection 50-94(b)(4)(e)iii. would change this.

Staff's initial recommendation was to allow transfers from any property zoned B2 (Retail Sales Business) or EV (East Village). This was done to support adaptive residential reuse of vacant upper-story space in those districts, as upper-story residential uses are now permitted by right in all business districts following a zoning amendment in late 2024 (Ordinance 1536). Mixed uses such as this tend to have reduced parking and traffic impacts since use of those facilities gets spread across the day more, vs. more pronounced peak times for a single-use property.

There was discussion among the Planning Commission about including RM32 (City Center Multiple Family Residential), RM54 (University-Oriented Multiple-Family Residential) or others. For the Planning Commission's April 8 meeting, staff is providing individual maps showing only those parcels with specific zoning, so the Commission can more easily understand the effects of expanding the sending area. Staff has provided individual maps of all B (Business) and R (Residential) zone districts at the end of this agenda item.

There was some discussion about a coefficient that would be applied to the number of credits which would provide some sort of *disincentive* to sending credits from outside of the diverse housing area. If that coefficient were 1.2, for example, units constructed outside of the diverse housing area would count 20% less than those constructed within that area.

This proposed coefficient was intended to reduce the potential for sprawl in areas of the City further from downtown, and also to recognize increased costs of development in downtown. However, some commissioners expressed a general *lack* of interest in adding such a coefficient. Should the overall diverse housing requirement be reduced, it may be worth revisiting, or reconsidering, this approach.

Current Process

The Planning Commission held a public hearing for the proposed ordinance on March 25, 2026 and received one comment in general favor of the proposed changes (in general public comment, item 5.2) or removing the diverse housing requirement altogether.

After the Planning Commission's public hearing and recommendation, this Ordinance would return to Council, which would schedule its own public hearing. After hosting that public hearing, Council would then vote to approve or deny the proposed text amendment.

For the current discussion, staff requests that the Planning Commission discuss the proposed ordinance in detail and determine if changes to the ordinance as introduced are warranted. The Planning Commission may choose to vote on a recommendation to City Council, or if additional information is needed in order to make such a recommendation, may postpone the item to a future meeting.

If the Commission determines it is ready to make a recommendation, a sample motion is provided below for convenience. Any proposed amendments to the ordinance as introduced should be clearly stated within the motion.

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FINANCIAL IMPACT:

It is very difficult to estimate the financial impact of adopting this ordinance. Creating two alternatives to providing diverse units on site could facilitate additional development in downtown East Lansing. Making one such alternative a fee in lieu of units would bring in an indeterminate amount of funds that could be substantial (around $8 million in one example). Additional costs should be expected associated with managing and administering such funds, as well as tracking compliance with the conditions that allowed for payment of the fee in lieu of providing units.

STRATEGIC PRIORITIES:

This proposal is responsive to two of East Lansing's strategic priorities:
Goal 3: Remain a responsive municipality by ensuring local laws and policies are relevant and increase input from all stakeholders.
Goal 9: To increase housing options and affordability by constructing 1,100 housing units over five years.

RECOMMENDATION:

Sample Motion

I move to recommend the City Council (adopt*or* not adopt) Ordinance 1559, which would amend Sec. 50-94 of Chapter 50 of the City Code - Zoning - to allow for a fee to be paid in lieu of meeting the diverse housing requirement in areas of downtown East Lansing, define a formula for that fee, and allow for the transfer of diverse housing credits from areas outside of downtown, for the following reasons:

Fee-in – Lieu Calculation

Prepared for:

City of East Lansing

February 11, 2026

Maner Costerisan

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Project Overview

The City of East Lansing requested an illustrative analysis to evaluate how an affordable housing payment in lieu of construction might have applied to several previously approved development projects if a policy similar to the City of Ann Arbor's Planned Unit Development affordability framework had been in place at the time of approval. A payment in lieu is a monetary contribution made by a developer in place of constructing required affordable housing units on site, with funds typically dedicated to a local affordable housing fund to support the development or preservation of affordable housing.

The City identified three older projects as test cases: 233 Abbot, 205 E Grand River Avenue, and 918 E Grand River Avenue. These projects were selected to understand, on a retrospective basis, what the magnitude of a payment in lieu could have been if an affordability requirement existed and if the developers had elected to satisfy that requirement through a monetary contribution rather than constructing affordable units on site.

The intent of this exercise is illustrative only. It does not imply that these projects were subject to such a requirement, nor does it attempt to retroactively apply a policy. Instead, the analysis is intended to demonstrate how an Ann Arbor style affordability gap methodology functions when applied to East Lansing conditions and to provide context for the potential scale of a payment in lieu under current housing market, income, tax, and interest rate assumptions.

The sections that follow describe the data sources, assumptions, and step by step calculations used to estimate the affordability gap that would form the basis for a payment in lieu calculation under this framework.

Definitions and Data Sources

This analysis relies on a defined set of terms and publicly available data sources to ensure transparency and repeatability. The definitions below establish how key values are used throughout the calculation and identify the source of each input.

Key Definitions

Market Price (A)
Market price represents the estimated sale price of a typical market-rate single-family home in East Lansing. For purposes of this analysis, the market price is calculated using the sales data from the City of East Lansing and uses median sale price per square foot multiplied by the median home size for homes under 2,000 square feet. This approach mirrors the structure used in the City of Ann Arbor's methodology and normalizes for variation in unit size.

Affordable Price (B)
Affordable price represents the maximum home price that a target household can afford based on income, standard housing affordability thresholds, and typical ownership costs. The affordable price is derived from HUD income limits and assumes a household is not cost burdened when total housing costs, including mortgage principal and interest, property taxes, and homeowners insurance, do not exceed 30 percent of gross household income.

Affordability Gap = A-B
The affordability gap is defined as the difference between the market price and the affordable price. This value represents the subsidy required to bridge the gap between market housing and housing affordable to the target household. This gap is later converted to a per square foot amount when calculating a payment in lieu.

Data Sources

Income Limits
The analysis evaluates housing affordability for a three person household at 50 percent of Area Median Income, consistent with the income thresholds used in Ann Arbor's adopted policy framework. Household income limits were sourced from the U.S. Department of Housing and Urban Development HOME Income Limits for Fiscal Year 2025. The Lansing–East Lansing area 50 percent income limit for a three person household was used.

Housing Market Data
Market price inputs were provided by the City of East Lansing Assessor and are based on residential sales data for single family homes under 2,000 square feet sold in 2025. The analysis used the median sale price per square foot and the median home size from this dataset to estimate a representative market price.

Property Tax Data
Property taxes were estimated using the total PRE millage rate applicable to residential property located in the City of East Lansing, Ingham County, and the East Lansing School District in effect at the time of the analysis. Taxable value was approximated at one half of market value for purposes of estimating annual property tax obligations.

Insurance Assumptions
Homeowners insurance costs were assumed for purposes of this analysis due to the absence of project specific insurance data. An annual insurance amount of $2,000 was used as a planning assumption and applied consistently across the analysis.

Financing Assumptions
Mortgage calculations assume a 30 year fixed rate loan with a 6.22 % percent interest rate and a five percent down payment. The interest rate assumption reflects current market conditions and differs from the lower rates in place when Ann Arbor originally adopted its policy.

Transition to Methodology
The following section applies these definitions and data sources to a step by step calculation of the affordability gap, beginning with the determination of the market price and proceeding through the calculation of the maximum affordable home price for the target household.

Methodology and Calculations

Market Price Calculation (A)

The first step in estimating the affordability gap is determining a representative market price for a typical single family home in East Lansing. Consistent with the Ann Arbor framework, the market price is intended to reflect prevailing conditions for homes under 2,000 square feet rather than higher priced or larger homes that may skew averages.

Market price inputs were provided by the City of East Lansing Assessor and are based on residential sales data for single family homes under 2,000 square feet sold in 2025 (184 homes) . Two summary statistics from this dataset were used:

- Median sale price per square foot
- Median home size in square feet

Using these median values normalizes the estimate for unit size and reduces the influence of outliers.

The market price was calculated as follows:

Market Price (A) = Median Price per Square Foot × Median Home Size

Based on the assessor data:

- Median price per square foot: $213
- Median home size: 1,410 square feet

Applying the formula:

300,330 = 1,410 x 213

Market Price (A): **$300,330**

This value represents a typical market rate single family home in East Lansing within the size threshold used for the analysis and serves as the market benchmark for calculating the affordability gap.

Affordable Price Calculation (B)

The following section calculates the maximum affordable home price for the target household by applying HUD affordability standards and subtracting non-mortgage ownership costs from the household's total housing budget. The resulting affordable price represents the maximum purchase price a three person household at 50 percent of Area Median Income could afford under current East Lansing conditions.

Income and Affordability Standard

Affordable housing capacity was evaluated for a three person household at 50 percent of Area Median Income using HUD HOME Income Limits for Fiscal Year 2025 for the Lansing–East Lansing area. At this income level, the household's gross annual income is $45,350[1].

Consistent with HUD's commonly used affordability threshold and the methodology adopted by the City of Ann Arbor, housing costs were limited to 30 percent of gross household income. Applying this standard results in a maximum annual housing budget of:

$$45{,}350 \times 30\,\% = 13{,}605$$

Non Mortgage Ownership Costs

Non-mortgage ownership costs were deducted from the total housing budget to determine the amount available for mortgage principal and interest.

Property taxes were estimated using the total principal residence exemption millage rate applicable to residential property located in the City of East Lansing, and the East Lansing School District (49.234 mills). Taxable value was one half of market value for purposes of estimating annual property tax obligations ($150,165). Based on these assumptions, annual property taxes were estimated at $7,392.

Homeowners insurance costs were assumed for purposes of this analysis due to the absence of project specific insurance data. An annual insurance amount of $2,000 was applied for the analysis.

Total non-mortgage ownership costs were therefore calculated as:

$$7{,}392 + 2{,}000 = 9{,}392$$

[1] Calculations were also performed at 60 percent and 80 percent of Area Median Income, equal to $54,420 and $72,600.

Mortgage Payment Capacity

The amount remaining after deducting non-mortgage ownership costs represents the maximum mortgage payment capacity available for principal and interest.

13,605 – 9392 = 4,213

- Maximum annual mortgage payment (principal and interest): $4,213
- Maximum monthly mortgage payment (principal and interest): $351.11

This value represents the maximum monthly payment the target household could afford toward mortgage principal and interest.

Affordable Home Price

The maximum affordable home price was calculated by converting the monthly mortgage payment capacity into a mortgage loan amount and then adjusting for a standard down payment assumption.
Mortgage financing assumptions were as follows:

Fixed interest rate: 6.22 percent

Loan term: 30 years

Down payment: 5 percent

Based on these assumptions, a monthly mortgage payment of $351 supports a maximum mortgage loan amount of approximately $57,206. Assuming a 5 percent down payment, the corresponding affordable home price was calculated as:

$$\$57,206 \div 0.95 = \$60,217$$

Affordable Home Price (B): **$60,217**

This value represents the maximum home purchase price affordable to the target household under the assumptions used in this analysis.

Affordability Gap Calculation (A-B)

The affordability gap represents the difference between the prevailing market price of housing and the maximum home price affordable to the target household under the assumptions described in the prior sections. This gap reflects the amount of subsidy required to bridge the difference between market housing costs and housing affordable to a three person household at 50 percent of Area Median Income.

Affordability Gap Calculation

The affordability gap was calculated as the difference between the representative market price and the affordable home price.

- Market Price (A): $300,330
- Affordable Home Price (B): $60,217

Affordability Gap = A - B

300,330 – 60,217 = 240,113

Affordability Gap: **$240,113**

This value represents the estimated subsidy required to make a typical market rate home affordable to the target household under current East Lansing housing market, tax, insurance, and financing conditions.

Conversion to Per Square Foot Fee

The affordability gap was converted to a per square foot fee by dividing the gap by the median home size used in the market price calculation.

- Affordability Gap: $240,113
- Median Home Size: 1,410 square feet

240,113 ÷ 1,410 = 170

Fee Rate: **$170 per square foot**

This fee rate represents the estimated contribution required per square foot of residential floor area to offset the affordability gap under the assumptions used in this analysis.

Conversion to Per Square Foot Fee – alternatives.

To provide additional context, the analysis was also performed at 60 percent and 80 percent of Area Median Income, corresponding to incomes of $54,420 and $72,600.

Fee Rate using 50% AMI: **$170 per square foot**

Fee Rate using 60% AMI: **$143 per square foot**

Fee Rate using 80% AMI: **$87 per square foot**

Application to Selected Development Projects

Under the Ann Arbor approach, a payment in lieu is made in place of constructing required affordable housing units and is calculated based on the number of affordable units required and the average size of residential units within the project. The fee is not applied to all residential units, nor does it require identification of specific affordable units. Instead, it reflects the obligation associated with the affordable housing requirement itself.

(Required Affordable Units)×(Average Unit Size)×(Fee per Square Foot)

The following section applies this methodology to the selected test projects to estimate the magnitude of a payment in lieu under this framework.

Application to Selected Projects

This section applies the affordability gap fee calculation to selected previously approved East Lansing development projects to estimate the magnitude of a payment in lieu under the assumed framework.

For each project, the payment in lieu was calculated using three inputs:

1. Total residential unit count
2. Average residential unit size
3. Required affordable housing percentage

The fee was applied only to the affordable housing obligation (additional 25%) , not to all residential units.

Calculation Steps

For each project, the following steps were used.

Step 1. Determine Total Units

Total residential units were calculated as the sum of all dwelling units in the project.

Step 2. Calculate Average Unit Size

Average unit size was calculated as:

Average Unit Size = Total Square footage for all units ÷ Total Units

Step 3. Determine Required Affordable Units

The number of required affordable units was calculated as:

Required Affordable Units = Total Units × Affordable Housing Percentage (25%)

Where the affordable housing percentage reflects the assumed requirement associated with additional development rights. Fractional units were retained for calculation purposes and not rounded.

Step 4. Calculate Payment in Lieu

The payment in lieu was calculated as:

(Required Affordable Units) × (Average Unit Size) × ($ 170 per square foot)

Example Application: 233 Abbot Road (The Abbot)

For the 233 Abbot Road project, unit mix data provided by the City was used to calculate total residential square footage and total unit count.

- Total residential square footage: 137,700 square feet
- Total residential units: 196

Average unit size:

$$137{,}700 \div 196 = 703 \text{ square feet}$$

Using an assumed 25 percent affordable housing requirement, the required number of affordable units was calculated as:

$$196 \times 25\% = 49.0 \text{ units}$$

Applying the per square foot fee:

$$49.0 \times 703 \times 170 = \text{Estimated Payment in Lieu}$$

Estimated Payment in Lieu = $5,855,990[2]

[2] At 60 percent and 80 percent of Area Median Income, the estimated payment in lieu equals $4,925,921 and $2,996,889, respectively.

Example Application: 205 E. Grand River (Landmark)

For the 205 E Grand River project, unit mix data provided by the City was used to calculate total residential square footage and total unit count.

- Total residential square footage: 172,423 square feet
- Total residential units: 273

Average unit size:

$$172{,}423 \div 273 = 632 \text{ square feet}$$

Using an assumed 25 percent affordable housing requirement, the required number of affordable units was calculated as:

$$273 \times 25\% = 68.25 \text{ units}$$

Applying the per square foot fee:

$$68.25 \times 632 \times 170 = \text{Estimated Payment in Lieu}$$

Estimated Payment in Lieu = $7,332,780[3]

[3] At 60 percent and 80 percent of Area Median Income, the estimated payment in lieu equals $6,168,162 and $3,752,658, respectively.

Example Application: 918 E Grand River (The HUB)

For the 918 E Grand River project, unit mix data provided by the City was used to calculate total residential square footage and total unit count.

- Total residential square footage: 189,002 square feet
- Total residential units: 347

Average unit size:

189,002 ÷ 347= 545 square feet

Using an assumed 25 percent affordable housing requirement, the required number of affordable units was calculated as:

347 × 25% = 86.75 units

Applying the per square foot fee:

86.75 × 545 × 170 = Estimated Payment in Lieu

Estimated Payment in Lieu = $8,037,388[4]

Example: Summary Table

	50% AMI	60% AMI	80% AMI
233 Abbot Road	$5,855,990	$4,925,921	$2,996,889
205 E. Grand River	$7,332,780	$6,168,162	$3,752,658
918 E Grand River	$8,037,388	$6,760,861	$4,113,251
Total	$21,226,158	$17,854,944	$10,862,798

[4] At 60 percent and 80 percent of Area Median Income, the estimated payment in lieu equals $6,760,861 and $4,113,251, respectively.

Appendix A – Calculation Worksheet

A = market price (from your per-sf data × median size)
B = affordable price (from AMI assumptions) **(the maxim home price a trage household can afford**
A – B = affordability gap
Fee rate ($/sf) = (A – B) ÷ 1,410

Market Price Calculation (A)

2025 Median Market Rate price for single- famly home <2000 sf

Median Price per SF		x		Median home size		=	
213				1,410		$	300,330

Affordable Price Calculation (B)

Income and Affordablity

2025 Income Limit		x		HUD housing affordability		=	
$	45,350			0.3		**$**	**13,605**

Non Mortgage Ownership Costs

Taxes (EL PRE - EL schools)			Insurance			
$	7,392	+	$	2,000	=	$ 9,392

Mortage Payment Capacity

Income and Affordablity	$ 13,605	Non Mortgage Ownership Costs	=	$ 4,213
		Converted to Monthly Payment		351.11

Affordable Home Price

Maximum Mortgage Loan Amount (Present value of the monthly payment based on the loan interest rate and term) $57,205.71

Maxium Mortage Loan Amount		÷	Down payment			
$57,205.71			0.95		=	$ 60,217

Affordability Gap Calculation (A-B)

Market Price		-	Affordable Home Price		=	
$	300,330		$	60,217		$ 240,113

Fee per square foot

Afforedabltiy Gap		÷	Sqaure Feet		=	
$	240,113			1,410		170.00

Inputs

Millage Rate	49.2234
Loan rate	0.0622
term	30

Appendix B - Residential Sales

Parcel Number	Sale Date	Adj. Sale $	Class	Occupancy	Floor Area	SP/SF FLR AREA
33-20-01-12-214-238	04/17/25	$105,000	407	Single Family	1,061	$99
33-20-01-24-120-011	08/08/25	$170,000	401	Single Family	1,644	$103
33-20-01-01-304-122	08/19/25	$135,000	407	Single Family	1,240	$109
33-20-01-12-113-022	03/10/25	$138,800	401	Single Family	1,210	$115
33-20-02-07-215-103	01/24/25	$179,900	407	Single Family	1,462	$123
33-20-01-12-214-215	03/13/25	$120,000	407	Single Family	972	$123
33-20-02-08-175-009	07/08/25	$220,000	401	Single Family	1,710	$129
33-20-01-12-214-217	04/25/25	$126,000	407	Single Family	972	$130
33-20-02-07-215-127	02/03/25	$174,400	407	Single Family	1,312	$133
33-20-01-01-304-139	04/02/25	$149,000	407	Single Family	1,088	$137
33-20-02-18-406-017	06/04/25	$230,000	401	Single Family	1,674	$137
33-20-01-12-214-202	04/11/25	$100,000	407	Single Family	720	$139
33-20-01-13-107-011	04/01/25	$280,000	401	Single Family	2,000	$140
33-20-01-12-214-248	02/24/25	$110,000	407	Single Family	738	$149
33-20-02-07-215-111	01/22/25	$182,890	407	Single Family	1,224	$149
33-20-01-13-109-158	03/13/25	$210,000	407	Single Family	1,387	$151
33-20-01-13-113-015	07/01/25	$300,000	401	Single Family	1,977	$152
33-20-01-12-321-071	09/05/25	$255,000	407	Single Family	1,664	$153
33-20-02-17-108-010	02/07/25	$250,000	401	Single Family	1,617	$155
33-20-02-17-103-123	06/09/25	$215,000	407	Single Family	1,360	$158
33-20-01-12-321-015	08/04/25	$206,000	407	Single Family	1,300	$158

33-20-02-08-301-018	06/16/25	$164,900	401	Single Family	1,040	$159
33-20-01-12-206-014	01/21/25	$285,000	401	Single Family	1,776	$160
33-20-01-12-214-130	04/02/25	$205,000	407	Single Family	1,274	$161
33-20-01-12-403-231	02/28/25	$159,000	407	Single Family	987	$161
33-20-01-01-315-022	03/03/25	$310,000	401	Single Family	1,919	$162
33-20-01-13-116-017	05/12/25	$305,000	401	Single Family	1,876	$163
33-20-02-17-117-009	04/28/25	$216,000	401	Single Family	1,324	$163
33-20-01-13-204-019	06/06/25	$245,000	401	Single Family	1,483	$165
33-20-01-24-103-018	06/30/25	$256,000	401	Single Family	1,544	$166
33-20-02-17-103-133	08/28/25	$214,900	407	Single Family	1,290	$167
33-20-01-13-219-018	07/17/25	$180,000	401	Single Family	1,074	$168
33-20-01-12-320-008	01/22/25	$245,000	407	Single Family	1,444	$170
33-20-01-12-322-002	06/10/25	$315,000	401	Single Family	1,848	$170
33-20-01-01-200-106	05/23/25	$324,000	401	Single Family	1,892	$171
33-20-01-12-321-075	06/13/25	$255,000	407	Single Family	1,485	$172
33-20-01-01-315-013	05/23/25	$333,500	401	Single Family	1,916	$174
33-20-01-01-405-001	09/16/25	$284,000	401	Single Family	1,605	$177
33-20-01-11-226-114	09/26/25	$209,000	407	Single Family	1,180	$177
33-20-01-01-315-016	08/28/25	$295,000	401	Single Family	1,659	$178
33-20-01-24-116-014	02/14/25	$309,000	401	Single Family	1,736	$178
33-20-02-07-216-006	05/22/25	$280,000	407	Single Family	1,558	$180
33-20-01-12-202-002	09/05/25	$350,000	401	Single Family	1,944	$180
33-20-02-18-133-012	06/24/25	$285,000	401	Single Family	1,572	$181
33-20-01-13-109-138	09/05/25	$210,000	407	Single Family	1,155	$182

33-20-01-12-214-117	02/12/25	$186,000	407	Single Family	1,020	$182
33-20-01-12-403-218	07/10/25	$196,500	407	Single Family	1,072	$183
33-20-02-07-410-012	05/09/25	$345,000	401	Single Family	1,876	$184
33-20-01-12-213-002	08/08/25	$300,000	401	Single Family	1,626	$185
33-20-02-18-208-009	05/05/25	$335,000	401	Single Family	1,812	$185
33-20-02-08-309-011	07/31/25	$317,000	401	Single Family	1,704	$186
33-20-02-18-217-014	03/28/25	$195,000	401	Single Family	1,048	$186
33-20-01-12-214-135	09/05/25	$190,000	407	Single Family	1,020	$186
33-20-01-01-406-008	07/25/25	$355,000	401	Single Family	1,893	$188
19-20-50-36-102-067	04/10/25	$370,000	407	Single Family	1,969	$188
33-20-02-07-307-012	05/18/25	$375,000	401	Single Family	1,994	$188
33-20-01-12-321-045	09/30/25	$280,000	407	Single Family	1,485	$189
19-20-50-36-102-203	04/16/25	$378,000	407	Single Family	1,969	$192
33-20-01-12-214-111	06/18/25	$196,000	407	Single Family	1,020	$192
19-20-50-36-202-327	05/23/25	$300,000	407	Single Family	1,554	$193
19-20-50-36-203-014	04/28/25	$381,400	407	Single Family	1,962	$194
19-20-50-36-102-001	06/03/25	$370,000	407	Single Family	1,893	$195
33-20-01-24-103-002	02/13/25	$292,000	401	Single Family	1,493	$196
33-20-01-12-321-035	04/23/25	$274,500	407	Single Family	1,401	$196
19-20-50-36-301-015	05/27/25	$280,000	407	Single Family	1,423	$197
33-20-01-01-105-021	06/24/25	$316,000	401	Single Family	1,600	$198
33-20-02-08-402-127	08/05/25	$308,000	407	Single Family	1,559	$198
33-20-02-18-121-016	07/30/25	$369,900	401	Single Family	1,858	$199
33-20-01-12-206-108	08/27/25	$355,500	407	Single Family	1,785	$199

33-20-02-08-309-010	07/11/25	$320,000	401	Single Family	1,604	$200
33-20-01-01-111-112	03/05/25	$280,500	407	Single Family	1,405	$200
33-20-02-07-410-001	07/25/25	$399,900	401	Single Family	1,988	$201
33-20-02-18-119-009	09/02/25	$380,000	401	Single Family	1,878	$202
33-20-01-12-115-002	07/15/25	$384,000	401	Single Family	1,889	$203
33-20-02-18-121-011	02/18/25	$301,000	401	Single Family	1,474	$204
33-20-01-24-103-012	05/23/25	$380,000	401	Single Family	1,849	$206
33-20-01-12-104-014	07/28/25	$228,000	401	Single Family	1,108	$206
33-20-01-12-206-016	05/28/25	$315,000	401	Single Family	1,530	$206
33-20-01-12-419-004	07/08/25	$224,900	401	Single Family	1,090	$206
33-20-02-17-117-017	07/16/25	$247,100	401	Single Family	1,196	$207
33-20-02-18-147-007	06/30/25	$247,000	401	Single Family	1,190	$208
33-20-02-18-160-003	02/27/25	$341,000	401	Single Family	1,638	$208
33-20-01-12-112-022	01/17/25	$250,000	401	Single Family	1,200	$208
33-20-02-18-143-010	09/19/25	$185,500	401	Single Family	888	$209
33-20-02-18-118-005	01/10/25	$343,000	401	Single Family	1,636	$210
33-20-01-13-121-003	07/17/25	$315,000	401	Single Family	1,498	$210
33-20-01-12-419-001	08/22/25	$265,000	401	Single Family	1,260	$210
33-20-02-17-114-010	01/29/25	$250,000	401	Single Family	1,188	$210
33-20-01-13-225-107	04/28/25	$115,000	407	Single Family	542	$212
19-20-50-36-102-162	07/14/25	$360,000	407	Single Family	1,694	$213
33-20-01-12-323-010	07/08/25	$420,000	401	Single Family	1,976	$213
33-20-02-18-205-036	08/01/25	$253,000	401	Single Family	1,190	$213
19-20-50-36-203-047	07/10/25	$315,000	407	Single Family	1,480	$213

33-20-02-17-120-006	04/17/25	$200,000	401	Single Family	934	$214
33-20-02-18-221-015	07/31/25	$165,000	401	Single Family	768	$215
19-20-50-36-202-326	09/25/25	$350,000	407	Single Family	1,624	$216
33-20-02-08-301-001	07/18/25	$219,900	401	Single Family	1,020	$216
33-20-02-18-133-001	06/25/25	$420,000	401	Single Family	1,940	$216
33-20-01-24-104-003	03/24/25	$346,500	401	Single Family	1,600	$217
33-20-01-13-106-005	07/11/25	$310,000	401	Single Family	1,428	$217
33-20-01-12-321-014	04/15/25	$257,500	407	Single Family	1,178	$219
33-20-02-17-109-016	08/08/25	$200,000	401	Single Family	912	$219
19-20-50-36-202-308	01/08/25	$380,000	407	Single Family	1,730	$220
33-20-02-07-315-009	04/25/25	$300,000	401	Single Family	1,363	$220
19-20-50-36-203-019	09/16/25	$339,900	407	Single Family	1,544	$220
19-20-50-36-203-102	04/25/25	$340,000	407	Single Family	1,544	$220
19-20-50-36-301-016	05/16/25	$315,000	407	Single Family	1,424	$221
33-20-01-12-118-012	04/30/25	$304,000	401	Single Family	1,372	$222
33-20-01-12-407-005	07/30/25	$169,000	401	Single Family	760	$222
33-20-01-13-115-023	05/05/25	$324,900	401	Single Family	1,440	$226
33-20-02-18-216-002	08/05/25	$260,000	401	Single Family	1,152	$226
33-20-02-08-303-003	06/30/25	$255,600	401	Single Family	1,132	$226
33-20-02-17-105-012	05/06/25	$250,000	401	Single Family	1,107	$226
33-20-02-07-405-008	07/10/25	$410,000	401	Single Family	1,815	$226
19-20-50-36-203-011	02/28/25	$350,000	407	Single Family	1,544	$227
33-20-02-08-402-121	01/31/25	$348,900	407	Single Family	1,539	$227
33-20-01-01-107-015	09/02/25	$425,000	401	Single Family	1,871	$227

19-20-50-36-301-108	07/07/25	$349,900	407	Single Family	1,539	$227
33-20-02-18-108-007	04/18/25	$321,000	401	Single Family	1,408	$228
33-20-02-07-310-010	05/02/25	$353,000	401	Single Family	1,544	$229
33-20-01-24-103-009	02/13/25	$292,000	401	Single Family	1,277	$229
33-20-01-13-123-005	08/27/25	$327,500	401	Single Family	1,431	$229
33-20-01-12-113-021	04/23/25	$250,000	401	Single Family	1,092	$229
33-20-01-13-125-019	08/29/25	$295,000	401	Single Family	1,288	$229
33-20-01-13-109-102	08/29/25	$137,000	407	Single Family	594	$231
33-20-01-12-412-006	05/07/25	$345,000	401	Single Family	1,492	$231
33-20-01-12-200-042	08/07/25	$365,000	401	Single Family	1,578	$231
33-20-01-13-121-004	06/12/25	$417,500	401	Single Family	1,800	$232
19-20-50-36-301-106	01/14/25	$350,000	407	Single Family	1,500	$233
33-20-02-17-114-005	02/21/25	$260,000	401	Single Family	1,114	$233
33-20-02-18-107-009	09/04/25	$295,000	401	Single Family	1,260	$234
19-20-50-36-102-081	08/25/25	$312,000	407	Single Family	1,328	$235
33-20-02-17-120-004	05/21/25	$215,000	401	Single Family	912	$236
19-20-50-36-203-085	09/29/25	$354,000	407	Single Family	1,500	$236
33-20-01-13-204-018	04/07/25	$332,000	401	Single Family	1,401	$237
33-20-02-08-402-126	09/08/25	$333,900	407	Single Family	1,406	$237
19-20-50-36-203-078	08/01/25	$357,000	407	Single Family	1,500	$238
19-20-50-36-203-039	09/05/25	$316,500	407	Single Family	1,320	$240
19-20-50-36-102-008	07/14/25	$350,000	407	Single Family	1,456	$240
33-20-02-08-402-109	05/02/25	$342,600	407	Single Family	1,406	$244
33-20-02-18-171-132	09/17/25	$290,000	407	Single Family	1,187	$244

33-20-02-18-234-001	02/12/25	$235,000	401	Single Family	956	$246
33-20-01-01-109-006	07/17/25	$435,000	401	Single Family	1,754	$248
33-20-02-18-219-010	08/15/25	$250,000	401	Single Family	1,008	$248
33-20-02-18-108-002	04/18/25	$315,000	401	Single Family	1,270	$248
33-20-01-13-209-006	05/30/25	$465,100	401	Single Family	1,872	$248
33-20-01-12-306-015	08/28/25	$239,000	401	Single Family	960	$249
33-20-01-12-200-044	08/08/25	$479,900	401	Single Family	1,927	$249
33-20-01-13-209-005	07/31/25	$375,000	401	Single Family	1,500	$250
33-20-01-13-206-003	05/08/25	$425,000	401	Single Family	1,691	$251
33-20-02-17-108-011	06/30/25	$191,000	401	Single Family	758	$252
33-20-02-08-402-102	04/30/25	$272,500	407	Single Family	1,070	$255
33-20-01-01-108-008	03/05/25	$457,000	401	Single Family	1,794	$255
33-20-02-07-111-006	07/31/25	$454,000	401	Single Family	1,775	$256
33-20-02-18-164-108	07/21/25	$281,900	407	Single Family	1,099	$257
33-20-02-07-205-011	05/07/25	$475,000	401	Single Family	1,835	$259
33-20-01-12-114-002	05/30/25	$325,900	401	Single Family	1,254	$260
33-20-01-12-410-008	07/25/25	$325,000	401	Single Family	1,240	$262
33-20-01-12-323-009	04/28/25	$430,000	401	Single Family	1,632	$263
33-20-02-18-164-135	05/27/25	$290,000	407	Single Family	1,099	$264
33-20-02-18-203-008	05/13/25	$200,000	401	Single Family	756	$265
33-20-01-13-225-108	03/21/25	$172,000	407	Single Family	650	$265
33-20-02-17-105-011	08/25/25	$275,000	401	Single Family	1,025	$268
33-20-01-13-125-017	08/20/25	$227,000	401	Single Family	844	$269
33-20-02-18-211-005	03/12/25	$196,000	401	Single Family	720	$272

33-20-02-18-107-010	05/28/25	$300,000	401	Single Family	1,100	$273
33-20-02-18-164-136	04/08/25	$392,500	407	Single Family	1,439	$273
33-20-02-18-164-109	05/19/25	$300,000	407	Single Family	1,099	$273
33-20-02-18-164-138	05/13/25	$390,000	407	Single Family	1,412	$276
33-20-01-12-307-001	07/18/25	$235,000	401	Single Family	850	$276
33-20-01-13-227-109	08/15/25	$368,000	407	Town Home	1,330	$277
33-20-02-18-109-009	05/16/25	$485,000	401	Single Family	1,744	$278
33-20-01-12-409-011	07/09/25	$329,900	401	Single Family	1,185	$278
33-20-01-13-105-006	06/13/25	$485,000	401	Single Family	1,739	$279
33-20-02-18-219-013	02/17/25	$229,000	401	Single Family	816	$281
33-20-02-18-105-015	06/25/25	$310,000	401	Single Family	1,100	$282
33-20-02-18-220-002	08/20/25	$150,000	401	Single Family	528	$284
33-20-01-13-227-106	05/06/25	$364,900	407	Town Home	1,280	$285
33-20-01-13-214-004	08/22/25	$325,500	401	Single Family	1,105	$295
33-20-02-07-314-008	07/02/25	$340,000	401	Single Family	1,112	$306
33-20-01-13-119-016	06/30/25	$410,000	401	Single Family	1,299	$316
19-20-50-25-400-101	04/14/25	$565,000	407	Single Family	1,769	$319
33-20-01-13-215-003	06/04/25	$420,000	401	Single Family	1,248	$337
33-20-01-13-112-011	07/10/25	$438,365	401	Single Family	1,225	$358
		$292,987			1,392.84	$212
		$300,000			1,410.00	$213
						$226
						$229

Appendix C- Selected Projects Data

233 Abbot Road (The Abbot)

# of Beds	Unit Type	SQFT	QTY	Total Square Feet
Studio	B1.1	428	26	11,128
Studio	B1.1	428	25	10,700
Studio	B1.2	423	2	846
Studio	B1.3	428	2	856
Studio	B2	384	2	768
Studio	B2.1	411	2	822
Studio	B3	446	1	446
Studio	B3 ada	446	1	446
Studio	B3.1	477	2	954
Studio	B4	414	2	828
1 Bed	C1	676	8	5,408
1 Bed	C1 ada	676	1	676
2 Bed	D1	791	17	13,447
2 Bed	D1 ada	791	1	791
2 Bed	D2	842	9	7,578
2 Bed	D3	874	9	7,866
2 Bed	D4	713	20	14,260
2 Bed	D4.1	715	4	2,860
2 Bed	D5	425	9	3,825
2 Bed	D6	870	9	7,830
3 Bed	E1	1010	27	27,270
3 Bed	E1.1	1055	6	6,330
3 Bed	E1.1 ada	1055	1	1,055
3 Bed	E2	1071	10	10,710
	Total		**196**	**137,700**

Required affordable units (Total units x .25%)		49.00
Avg square feet of units		703
Fee per square foot	$	170
Payment in lieu	$	5,855,990

205 E Grand River (Landmark)

# of Beds	Unit Type	SQFT	QTY	Total Square Feet
Micro	M1	350	10	3,500
Micro	M2	384	21	8,064
Studio	S1	425	10	4,250
Studio	S2	439	30	13,170
Studio	S3	440	10	4,400
1 Bed	A1	512	21	10,752
1 Bed	A2	528	10	5,280
2 Bed	B1	707	11	7,777
2 Bed	B2	724	10	7,240
2 Bed	B3	749	10	7,490
2 bed	B4	789	20	15,780
2 Bed	C1	723	10	7,230
2 Bed	C2	753	10	7,530
2 Bed	C3	771	30	23,130
2 Bed	C4	768	30	23,040
3 Bed	D1	793	30	23,790
		Total	**273**	**172,423**

Required affordable units (Total units x .25%)		68.25
Avg square feet of units		632
Fee per square foot	$	170
Payment in lieu	$	7,332,780

918 E Grand River (The HUB)

# of Beds	Unit Type	SQFT	QTY	Total Square Feet
Micro	Micro	320	74	23,680
Studio	Studio	430	117	50,310
2 Bed/1 Bath	2 Bed/1 Bath	574	8	4,592
2 Bed/2 Bath	2 Bed/2 Bath	690	83	57,270
3 Bed 2 bath	3 Bed 2 bath	740	35	25,900
3 Bed 2 bath	3 Bed 2 bath	880	25	22,000
3 Bed 3 Bath	3 Bed 3 Bath	1050	5	5,250
		Total	**347**	**189,002**

Required affordable units (Total units x .25%)		86.75
Avg square feet of units		545
Fee per square foot	$	170
Payment in lieu	$	8,037,388

CITY OF EAST LANSING
The Home of Michigan State University

MEMORANDUM

DATE: July 9, 2025

TO: City of East Lansing Planning Commission

FROM: Robert V. Belleman
City Manager

RE: Zoning Ordinance – Chapter 50-94(4)(e) – Downtown Diversified Housing Requirements

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City Manager's Office
410 Abbot Road
East Lansing, MI 48823

(517) 319-6920
Fax (517) 337-1607
www.cityofeastlansing.com

I am respectfully requesting the Planning Commission review and discuss the City's current regulations regarding diverse housing requirements, Chapter 50-94(4)(e), as amended, and consider whether the Zoning Ordinance should be further amended to address the following issues:

1) Should the Ordinance be amended to permit compliance with the diverse housing options to be located outside of the East Lansing Downtown Development Authority (DDA) District, but within the City limits? The ordinance currently requires the diverse housing requirement must be located within the DDA District. The available and developable property within the DDA District is expensive and counterintuitive to meeting our goal of providing affordable housing.

2) Should the Ordinance be amended to reflect a ratio for owner occupied housing? The current ordinance states, "an appropriate number of dwelling units shall be marketed and/or sold as owner occupied or housing offered to and restricted to residents 55 and older, restricted to low to moderate income housing or **restricted to some other occupancy that would add diversity to the area so that at least 25 percent of the housing is owner occupied."** For example, a 100-unit market rate housing development would be required to restrict 25 units as affordable or establish 25 units as 55 or older or restrict 25 units as owner occupied. The City has received proposals to construct owner occupied condominiums, but the City is always asked does this provision require the developer to construct 25 condos, which are more expensive to construct. Should there be a ratio of 1 condominium for 5 affordable units?

3) Should the Ordinance be amended to include the Housing Choice Voucher Program as an eligible alternative to the diverse

housing option? Councilmember Watson requested the Ordinance recognize the Housing Choice Voucher Program as meeting the diverse housing requirement.

4) Should the Ordinance be amended to create a "Fee In Lieu" fund for meeting the diverse housing requirement and establish the value for each required unit at a percentage of constructing and/or managing this diverse housing requirement. I am attaching a communication from Carrie Freeman who approached the City Council on this type of amendment. I am also enclosing a similar ordinance from Columbus, Ohio for your review and consideration.

I would appreciate it if you could convey your recommendations, if any, to the City Council for their consideration.

C: Mayor & City Council
Annette Irwin, Planning & Building Director
Landon Bartley, Principal Planner
Heather Pope, Community & Economic Development Director
Marcia Gebarowski, DDA Executive Director

GRUA FREEMAN & TUPPER YOUNG

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Cassius E. Street, Jr., Retired
Jonathan E. Maire, Retired

June 14, 2025
Sent via email rbelleman@cityofeastlansing.com
And Hand Delivered

Robert V. Belleman
City Manager
410 Abbot Road
East Lansing, MI 48823

RE: Ordinance 1384 Proposed Amendment

Dear Mr. Belleman:

I represent Gregory Ballein. As you know, we have been working on a proposed amendment to Ordinance 1384 to include the option of a fee in lieu fund. We believe this amendment will help support the City's economic vitality and provide opportunities that will alleviate the City's current financial crisis. Please find Ordinance 1384 attached with the proposed amendment in red starting on page 5.

I will be attending the City Council meeting today to request at Public Comment that the City Council put this ordinance amendment on the Agenda for the July 15 meeting, whereat I will request immediate referral of this proposed ordinance amendment to the planning commission for review.

Very truly yours,

GRUA, FREEMAN, TUPPER & YOUNG, PLC

Carrie S. Ihrig Freeman

Carrie S. Ihrig Freeman

CSIF
Enclosures

Introduced:	08-16- 2016
Public Hearing:	11-09- 2016
Adopted:	11-09- 2016
Effective:	11-30-2016

ORDINANCE NO. 1384

AN ORDINANCE TO AMEND SECTION 50-94 OF CHAPTER 50 – ZONING - OF THE CODE OF THE CITY OF EAST LANSING TO ESTABLISH SPECIAL USE STANDARDS FOR MULTIPLE FAMILY DWELLINGS IN A PORTION OF THE DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT.

THE CITY OF EAST LANSING ORDAINS:

Sections 50-94 of Chapter 50 of the Code of the City of East Lansing is hereby amended to read as follows:

Sec. 50-94. - Standards for review.

(a) *All uses.* Except as may be provided elsewhere in this section or chapter, each special use permit application shall meet each of the following standards:

(1) The proposed use shall be consistent with the purpose of the use district in which it is located and the purpose and provisions of this division.

(2) The site plan for the property shall be approved in accordance with the provisions of section 50-36 of this chapter.

(3) The proposed size, height, architectural character and placement of new or expanded structures on the site shall be reasonably compatible with the existing or anticipated buildings on adjacent properties.

(4) Streets and access facilities serving the site shall be able to safely accommodate the expected traffic generated by the proposed use; the use shall not cause excessive traffic congestion or delays, obstruct access to adjacent properties, or imperil the safety of motorists, pedestrians or bicyclists.

(5) The proposed use shall not adversely affect the use and enjoyment of adjacent properties by generating excessive noise, vibration, light, glare, odors or any other form of pollution or nuisances.

(6) The proposed use shall not materially diminish the economic value of adjacent properties or the city as a whole.

(7) The proposed use shall not materially diminish the privacy, safety, security or enjoyment of any residential dwelling or residential neighborhood within the vicinity of the site.

(8) The proposed use shall be located with direct access to and frontage on a major street as designated in the major street plan, or within an area designated for adaptive reuse in the city center element of the comprehensive plan.

(b) *Specific uses.* In addition to the standards above, to address their unique characteristics, certain uses shall also meet the applicable standards below.

(1) *Churches.*

a. Standards set forth in items (3) and (8) of subsection (a) above do not apply to churches.

b. The minimum yard requirements of the use district in which the church is to be located shall apply except that in no event shall the yard requirement be less than 0.5 feet of yard to each foot of building height (excluding steeples) as applied to rear yard or side yard depth.

(2) *Businesses selling alcoholic beverages.* The following additional standards shall apply to restaurants and businesses licensed or to be licensed for the sale of alcoholic beverages or alcoholic liquor for consumption on or off the premises.

a. The establishment shall not be located in such proximity to churches, elementary, or secondary schools, child development centers, or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

b. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that liquor establishments and trade become a dominant influence or feature of the district or neighborhood.

c. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the

premises. The requirements of this section shall be a written condition of each special use permit issued to a restaurant.

d. Restaurants selling alcoholic beverages shall provide to the city manager reports and business records, in the form and manner required by an administrative order to be published by the city manager and approved by the city council, to permit the city to review and determine continued compliance with the requirement and performance standards of the definition of "restaurant" in section 50-8 and chapter 18 of the City Charter.

1. The requirements and performance standards of the definition of "restaurant" in section 50-8 and the reporting requirements of this subsection shall be a written condition of all special use permits issued to restaurants licensed to sell alcoholic beverages, provided however, that in the case of establishments which do not comply with the performance standards of subsection (4) of the definition of "restaurant" in section 50-8 at the time such establishment first becomes subject to the requirement of a special use permit, the special use permit issued for such establishment shall include a condition that the establishment demonstrate on an annual basis progress toward meeting such performance standards. Progress shall be measured by examining the ratio of alcoholic beverage sales to food sales during the most recent completed calendar year as compared to the ratio for the preceding year.

2. Proprietary information. Trade secrets or commercial or financial information received by the city manager pursuant to this section shall be exempt from disclosure to the public as a public record and shall not be published pursuant to the provisions of MCL 15.243 if the proprietor requests that the records be confidential, except that such records shall be admissible before all courts and administrative tribunals in proceedings brought for the purpose of enforcing this chapter.

(3) *Fraternities and sororities.*

a. The standard set forth in item (8) of subsection (a) above does not apply to fraternities and sororities.

b. In addition to the parking requirements for such uses specified in section 50-812, fraternities and sororities shall provide and maintain a parking access and management arrangement sufficient to serve the parking and access demands associated with chapter meetings, formal and informal social activities, or other on-site events which include the attendance of persons other than those who reside on the property. Such parking and

access arrangements may include, but are not limited to, the provision of additional on-site parking, the use of private off-premises parking, the use of public parking in municipal lots or on-street spaces, and the availability of bus or shuttle service or carpooling arrangements.

(4) *Multiple-family dwellings in business districts.* Where multiple-family dwelling units are provided in conjunction with business uses on a property in a business district, the following additional standards shall apply.

a. Except where multiple-family dwelling units may be permitted as the sole principal use of a building to provide unique housing opportunities which are not otherwise available in the city center, at a minimum, the first floor of any building shall primarily be used for principal permitted business uses, and the number of multiple-family dwelling units and the permitted occupancy of the units shall be limited to maintain a reasonable balance between the business and residential uses on the property consistent with the purpose of each business district. The provision of first floor retail may be waived by majority vote of the City Council in those areas of the B-3 District outside of the area identified in Section 50-593(f) of this Chapter where warranted by the existing retail opportunities adjacent to the project.

b. The number of multiple-family dwelling units, the permitted occupancy of the units and the height and size of structures containing such units shall be limited to be compatible with adjacent development patterns and any nearby residential districts.

c. Reasonable amounts of yard areas and open space shall be provided where necessary to be consistent with surrounding use and development patterns and to provide for the privacy and enjoyment of the residents.

d. The design, type and operational characteristics of the business and residential uses on the property shall be compatible with one another.

e. The residential units shall be designed and marketed to diversify housing opportunities in the neighborhood and shall not increase existing high concentrations of similar housing units in the neighborhood. Further, in the area west of Collingwood Drive within the district boundaries of the City of East Lansing Downtown Development Authority, in order to achieve diversity in the types of housing offered in the area including an appropriate balance of owner occupied housing, senior housing, low to moderate income housing, mixed-market rental housing and other types of diverse housing in the area, for all development plans that contain housing, an appropriate number of the dwelling units shall be marketed and/or sold as owner occupied housing or housing offered to and restricted to residents 55 and older, restricted to low to moderate income

housing or restricted to some other occupancy that would add diversity to the area so that at least 25% of the housing is owner occupied, restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area, or in the alternative, a developer may pay a one-time fee to the **City of East Lansing's Affordable and Diverse Housing Initiative Fund** in accordance with paragraph (e)(1) below, or a developer may build the equivalent of the 25 percent of the dwelling units required for a project elsewhere within the city limits. Developers may opt to include some amount of the required dwelling units in a development project and build the remaining number of required dwelling units elsewhere in the city. For purposes of this section, "development" shall include more than one structure as long as multiple structures are part of the same site plan approval. The requirement of this section shall not apply to Hotels. For any development that is constructed and occupied in excess of the 25% requirement of this section, the developer shall be given one credit for each residential unit in excess of the 25%. The credits, or any portion thereof, may be used by the developer, or the developer's assignee, as a credit, on a one for one basis, to meet the 25% requirement for future development projects in this area. The number of credits obtained for any development shall be calculated by the zoning official and maintained in the city records. Any assignment of credits must be in writing and signed by the developer. The intent to use credits of this nature, the number of credits intended to be used, the location of the development which created the credits, and any documentation showing any assignment of the credits shall be submitted with the site plan or amended site plan.

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(1) **Affordable and Diverse Housing Initiative Fund.** For any multiple-family dwelling unit development to which (4)(e) above applies, the developer may make a one-time payment to the City of East Lansing's Affordable and Diverse Housing Initiative Fund in lieu of compliance with the 25 percent requirement of section (4)(e) above. The one-time fee-in-lieu payment shall be computed starting with a base amount of $5,000.00 per dwelling unit, increased annually by the product of the base amount multiplied by the percentage increase in the Consumer Price Index (CPI), as calculated every August 1 with the first multiplier being the change in the CPI from August 1, 2026 to August 1, 2027. This calculation will constitute the new base amount for the succeeding year and will be adjusted annually based on the change in the CPI thereafter. Developers may opt to include some amount of the required dwelling units in a development project and provide fee-in-lieu for the remaining number of required dwelling units.

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(5) *Additional building height.*

a. Where a special use permit is required to permit building height above the base level permitted in any use district, the compatibility of the building shall be determined in part by the extent to which the use of the building and the building design, its setbacks and its orientation on the site successfully mitigate negative impacts upon neighboring uses, the natural

features of the site and public facilities and services. Such buildings may be approved only if they comply with subsection (a) of this section and all of the following additional standards:

1. The building shall not be located in such proximity to a single-family or two-family neighborhood so as to cause excessive noise or shadowing impacts, or substantial reductions in personal privacy or property values. The planning and zoning administrator may require the applicant to submit a solar angle diagram and shadow analysis prepared by a registered architect or engineer showing the extent of shadowing caused by the proposed building on adjacent properties and structures.

2. The portion of the building extending above the base level permitted in each use district shall be located no closer to the property line of a residentially zoned property than a distance equal to the amount of the height in excess of the base level.

3. The building shall not result in traffic generation which exceeds the carrying capacity of adjacent streets, exceeds the parking capacity of on-site spaces or nearby municipal parking facilities, causes excessive congestion or risks to public safety, or causes or substantially contributes to excessive volumes of traffic through residential neighborhoods.

4. The building shall not generate demands which exceed the capacity of public utilities and services necessary to serve the site.

b. In addition, the city council may further increase the maximum permitted building height to the extent and for that area in the B-3 district as specified in subsection 50-593 (f) for a building deemed to be of significant public benefit. The city council shall find, upon an affirmative vote of three-fourths of all members of the city council, that such buildings meet subsections (5)a.1. through 4., of this subsection and all of the following standards:

1. The building, through its proposed use, shall contribute substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives, as specified in the comprehensive plan or other strategic plan of the city, to benefit the business district, the adjacent residential or public areas, and the city as a whole.

2. The applicant demonstrates that additional building height is necessary in order to make the proposed development economically feasible for the intended use and no reasonable alternative to additional height exists.

3. The additional building height will cause no significant additional negative impact on adjacent properties, public streets and parking facilities, or public utility and services.

(6) *Dispensaries and primary caregiver operations.* The following additional standards shall apply to dispensaries and primary caregiver operations:

a. They shall comply at all times and in all circumstances with the Medical Marihuana Act and the General Rules of the Michigan Department of Community Health and/or the Department of Licensing and Regulatory Affairs.

b. They must be located outside of a 1,000-foot radius from any school, including any licensed facility with after school programs, child care centers, or daycare centers, to insure community compliance with federal "Drug-Free School Zones" requirements.

c. No more than five primary caregivers may operate from a dispensary.

d. All medical marihuana shall be contained within an enclosed, locked facility, inaccessible on all sides and equipped with locks that permit access only by the registered caregivers, as reviewed and approved by the building official and the police department.

e. All necessary building, electrical, plumbing and mechanical permits shall be obtained for any portion of the structure which contains electrical wiring, lighting and/or watering devices that support the cultivation, growing or harvesting of marihuana.

f. Any portion of the structure where energy usage and heat exceeds typical residential use, such as a grow room, and the storage of any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the fire department to insure compliance with the Michigan Fire Protection Code.

g. They shall not be operated from a business which sells alcoholic beverages.

h. The establishment shall not be located in such proximity to churches or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

i. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that dispensaries and medical marihuana paraphernalia trade become a dominant influence or feature of the district or neighborhood and no caregiver operation or dispensary shall be located within 500 feet of another caregiver operation or dispensary.

j. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the premises. The requirements of this section shall be a written condition of each special use permit issued to a dispensary or caregiver operation.

k. No drive-through facilities shall be permitted.

l. They may not be operated out of a residence or residential structure.

m. All transfers and deliveries of medical marihuana to qualifying patients must occur within the structure out of public view or inside the patient's residence.

n. The consumption of medical marihuana on the premises is prohibited.

(7) *Household pet daycares.* The following additional standards shall apply to household pet daycares:

a. Household pet daycare shall be located within a fully enclosed accessory structure meeting the requirements of the zoning code. Such accessory structure shall be located in the rear yard no closer than one hundred feet from any adjoining dwelling and no closer than twenty-five feet from the dwelling of the owner thereof.

b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of sufficient size to accommodate the animals, and shall be designed so as to prevent rats, mice, or other rodents from being harbored underneath, inside, or inside the walls of the enclosure.

c. Outdoor activities must be supervised and restricted to the hours between 9:00 am and 5:00 pm; and fully contained within a six (6) foot high solid fenced area in the rear yard. The required fenced area shall be a minimum of fifteen (15) feet from the property line. A fence located on a property line shall not satisfy the requirement for a fenced area.

d. Hours of operation shall be 12 hours or less and be restricted to the hours between 6 am and 7 pm. Animals shall be kept within the accessory structure or within a fenced area at all times unless leashed, and shall not be permitted to run at large.

e. All structures for the keeping of such animals shall be constructed of material that can be easily cleaned and shall be kept in a clean and sanitary condition. The required fenced area must be cleaned daily and kept free from trash and accumulated droppings. Appropriate disposal of droppings is required. All provisions of the City Code relating to noise, odor, and sanitation, including the provisions of this article, shall apply to the keeping of animals under this section.

(8) *Reduced building height.* Where a special use permit is required to permit building height below the level permitted in any use district, such buildings may

be approved only if they comply with subsection (a) of this section and one of the following additional standards.

a. The proposed building is of a particular architectural style that has significant importance to the proposed use of the building or is deemed an architecturally significant addition to the overall attractiveness of the district and the applicant has demonstrated that there is no reasonable alternative to the height sought in achieving such attractive construction..

b. The proposed use contributes substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives as specified in the comprehensive plan or other strategic plan of the City, to benefit the business district, the adjacent residential or public areas or the City as a whole.

By_____ By_____

Mark S. Meadows, Mayor Marie E. Wicks, City Clerk

Chapter 4565 - AFFORDABLE HOUSING AND COMMUNITY REINVESTMENT AREA INCENTIVE POLICY

4565.01 - Purpose.

The purpose of this chapter is to establish policies, procedures, and conditions for the provision of certain Community Reinvestment Area (CRA) tax incentives to foster investment in, and the development of, affordable housing in mixed-use, mixed-income neighborhoods throughout the City; and to encourage investment in market-rate and affordable housing in areas and neighborhoods throughout the City that show varying levels of distress.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.02 - Definitions.

(A) *Affordable Housing Unit*: includes the following:

1. *Rentals*: housing consisting of an appropriate number of bedrooms based on the household size, as determined by city code, rented to tenants whose annual household income is at or below sixty percent (60%) of area median income (AMI) as defined below; at or below eighty percent (80%) of AMI; at or below one hundred percent (100%) of AMI; or at or below one hundred and twenty percent (120%) of AMI, and for which the annual rent charged complies with affordable rents at 60%, 80%, 100% and 120% AMI as defined by the U.S. Department of Housing and Urban Development (HUD).
2. *Owner-occupied*: housing occupied by the legal owner or owners of the housing unit, whose annual household income is at or below sixty percent (60%) of AMI as defined below; at or below eighty percent (80%) of AMI; or at or below one hundred percent (100%) of AMI; or at or below one hundred and twenty percent (120%) of AMI; and for which the annual cost of ownership does not exceed thirty-five percent (35%) of the household's gross annual income.

(B) *Area Median Income (AMI)*: the area median income, as calculated annually by HUD for various household sizes within the Columbus, Ohio Metropolitan Statistical Area.

(C) *Area Designation:* one of three designations that the Director may assign to a post-1994 CRA pursuant to the terms and requirements of this Chapter, identified as a Market Ready Area, Ready for Revitalization Area, and Ready for Opportunity Area.

(D) *Bedroom*: a room complying with the sleeping area requirements in Section 4541.01 and the location requirements of Section 4541.05 of the Columbus Housing Code, and for which no fewer than eighteen (18) cubic feet of clothes closet space has been provided in accordance

with Section 4541.06 of the Columbus Housing Code.

(E) *Cost of Ownership*: the cost of owning a housing unit, as determined by rules adopted by the Director taking into consideration the following:

1. principal, interest, private mortgage insurance, and amortization of a loan to finance purchase of the property;
2. property taxes and assessments;
3. fire and casualty insurance covering replacement value of the property improvements;
4. non-optional homeowner or condominium association fees;
5. space rent, if the housing unit is situated upon rented land.

(F) *Development Project*: the new construction or remodel of housing units, whether single-family (one to three housing units), or multifamily (four or more housing units) structures. A single Development Project may consist of varying housing units within a single structure, or housing units contained in different structures. A single Development Project within a CRA may consist of multiple single-family structures as determined by the Director, with such determination criteria including but not limited to proximity to the site, common plan of financing, and common ownership. For a Development Project consisting of housing units in different structures, each structure or dwelling unit must independently satisfy the minimum investment requirements set forth in Chapter 3735.67 of the Ohio Revised Code.

(G) *Development Director*, or *Director*: the Director of the Department of Development, or the designee thereof.

(H) *Distress Criteria*: the factors by which post-1994 CRAs are categorized as a Market Ready Area, a Ready for Revitalization Area or a Ready for Opportunity Area. Each of the following is a criterion included within "Distress Criteria:"

1. *Population Growth*: the percentage change of population for an area over a five-year time period, as measured by the United States Census Bureau in the most recent decennial census or in annual estimates by the United States Census Bureau. An area meets this distress criterion if the population growth rate is below the population growth rate for the City of Columbus.
2. *Median Household Income Growth*: the percentage change in median household income for an area over five (5) years, as measured by the United States Census Bureau in the most recent decennial census or in annual estimates by the United States Census Bureau. An area meets this distress criterion if the median household income growth rate is below the median household income growth rate for the City of Columbus.
3. *Poverty Rate*: the percentage of the population in an area living at or below the federally established poverty level, adjusted for family size. An area meets this distress criterion if

the poverty rate is above the poverty rate for the City of Columbus.

4. *Growth in Median Rent*: the percentage change in median monthly price per square foot of residential rental property for an area, as measured using an index or indices selected by the Development Director from real estate or housing industry sources. An area meets this distress criterion if the growth in median rent rate is above the growth in median rent rate for the City of Columbus.
5. *Housing Vacancy Rate*: the percentage of unoccupied housing units in an area, as measured using an index or indices selected by the Development Director from real estate or housing industry sources. An area meets this distress criterion if the housing vacancy rate is above the housing vacancy rate for the City of Columbus.
6. *Tax Delinquency Rate:* the percentage of tax delinquent homes in an area. An area meets this distress criterion if the percentage of tax delinquent properties in an area is above the percentage of tax delinquent homes for the City of Columbus.

(I) *Environmental Remediation Expense*: Pertains to the removal or reduction of pollution or contaminants from environmental media such as soil, groundwater, sediment, or surface water to protect people and the environment against the potential harmful effects from exposure, based on assessments of human health and ecological risks, to various radiation sources.

(J) *First Owner*: the first person or entity that acquires ownership of a residential unit pursuant to the affordability requirements contained in this Chapter.

(K) *Gross Annual Income*: annual income as defined by 24 C.F.R. §5.609 and documented at the time of initial occupancy of a unit as required by rules established by the Director.

(L) *Household*: all individuals residing in a housing unit.

(M) *Household Income*: the gross annual income of all individuals residing in a housing unit who have reached the age of eighteen (18) years old and are not enrolled as full-time students. An individual who has reached the age of eighteen (18) years old, and is enrolled as a full time student, has the first $480.00 of the student's income counted in household income.

(N) *Housing Unit*: one or more rooms arranged, intended, and designed and used solely for independent residential occupancy by an individual, group of individuals, or family for living and sleeping purposes. The unit must include cooking, bathing, and toilet facilities within the unit for the use of the unit's occupants. For purposes of this chapter, housing unit does not include emergency shelters or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, or dormitories.

(O) *Market Ready Area*: a post-1994 CRA that is comprised of a census tract, portion of a census tract or portions of census tracts that have a median income in the fourth quartile based on

the Median Household Income Criteria, or a post-1994 CRA made up of a census tract or census tracts that have a Median Household Income in the second or third quartiles and that also meets no more than one distress criteria in subsection (H) above.

(P) *Median Household Income Criteria*: The first criterion applied to determine the area designation assigned to a post-1994 CRA, which shall be applied as follows: Using the most recently available data from the American Community Survey, the median income of each census tract in Franklin County, including Columbus, shall be ranked from lowest to highest, and those census tracts in the first (lowest) quartile shall be designated Ready for Opportunity and those census tracts in the fourth (highest) quartile shall be Market Ready. For any post-1994 CRA made up of more than one census track, the weighted average median income of the census tracks shall be used.

(Q) *Owner-occupied*: a housing unit inhabited as the principal place of residence by the person or persons who holds fee simple absolute title, or a substantially equivalent property interest, as determined by the Director, in a manner that ensures the unit is not rented or used as a primary residence by a person not a member of the household.

(R) *Post-1994 Community Reinvestment Area*: a community reinvestment area (CRA) designated by City Council subsequent to July 21, 1994 and that was issued a CRA designation number by the Ohio Development Services Agency.

(S) *Project Sponsor*: an applicant seeking approval to construct a Development Project that contains residential housing within the boundaries of a CRA as provided in this chapter.

(T) *Ready for Opportunity Area*: a post-1994 CRA comprised of a census tract, portion of a census tract or portions of census tracts that have a median household income in the first quartile pursuant to the Median Household Income Criteria per subsection (P) above, or a post-1994 CRA made up of a census tract, portion of a census tract or portions of census tracts that have a Median Household Income in the second or third quartiles and that meets more than four (4) distress criteria in subsection (H) above.

(U) *Ready for Revitalization Area*: a post-1994 CRA that is comprised of a census tract, portion of a census tract or portions of census tracts that have a Median Household Income in the second or third quartile pursuant to the Median Household Income Criteria in subsection (O) above, and that meets at least two (2), but no more than four (4), distress criteria in subsection (H) above.

(V) *Redesignation Date*: July 31, 2022, then July 31, 2025 and every third year thereafter.

(W) *Rent*: the cost of tenancy in a housing unit, including the rental rate stated in the lease, any non-refundable, non-optional fee or surcharge, and an allowance for reasonable utility expenses as defined in 26 CFR 1.42-10, as may be amended from time to time. The Director

shall define reasonable utility expenses consistent with that code provision. Pet fees or surcharges shall not be considered "rent" for purposes of this chapter.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 2781-2018 , § 1, 10-22-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.03 - Area designation for Post-1994 CRAs.

(A) The Director shall have the authority to designate a post-1994 CRA as a Market Ready Area, Ready for Revitalization Area, or Ready for Opportunity Area pursuant to this Chapter. On the Redesignation Date, the Director shall have the authority to change the Area Designation of any post-1994 CRA consistent with the requirements of this Chapter.

(B) One year prior to the Redesignation Date, the Director shall begin to assess the Area Designations in post-1994 CRAs for purposes of classifying the property as Market Ready, Ready for Opportunity, or Ready for Revitalization. Consistent therewith, the Director shall determine whether each designated post-1994 CRA will retain its then-current Area Designation or receive a new Area Designation. If the Director determines that any post-1994 CRA meets the requirement for a new Area Designation, the Director shall assign such new Area Designation to be effective upon the Redesignation Date.

(C) The Director shall provide a report to Council upon designating, or redesignating, existing post-1994 CRAs as either Market Ready, Ready for Revitalization, or Ready for Opportunity. The report shall include the distress criteria for each area designated by the Director.

(D) Prior to the creation of a new CRA for housing by City Council, the Director shall designate the area as either Market Ready, Ready for Revitalization, or Ready for Opportunity and shall provide the report as required by this Section prior to Council's vote to establish the CRA.

(E) Annually, the Director shall provide to City Council with a report, no later than September 30 th of each calendar year, identifying the real property tax abatements, area designations and the type of affordable housing within each Post-1994 CRA for the prior year.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.04 - General requirements for Affordable Housing Units.

(A) Wherever Affordable Housing Units are required pursuant to this Chapter, they shall be dispersed throughout the Development Project and shall be comparable to the design and quality of market-rate units within the Development Project in terms of appearance, materials, and finish.

(B) The distribution of unit sizes across the Affordable Housing Units shall mirror the distribution

of unit sizes across the entire Development Project (i.e., if twenty percent of the units within the Development Project are two-bedroom units, then twenty percent of the Affordable Housing Units must be two-bedroom units). For Development Projects with unique mix configurations, and that do not easily lend themselves to the prescribed affordable set-aside percentages, the Director of Development is authorized to negotiate Affordable Housing Unit set asides on a case by case basis, with the understanding that the overall goal of mixed income housing within the Development Project is achieved.

(C) Throughout the term of the CRA abatement, the Affordable Housing Units provided in a Development Project may be located in different physical units over time (Affordable Housing Units may "float" through the Development Project over time), while at the same time complying with subsections (A) and (B) above. However, the Project Sponsor shall not congregate all or most of the Affordable Housing Units in one building or in one primary area of the Development Project for projects of four (4) or more housing units.

(D) Affordable Housing Units shall be constructed within a similar timeline as non-Affordable Housing Units within the Development Project.

(E) Affordable Housing Units shall be provided access to amenities and recreational facilities within the Development Projects on equal terms to market-rate housing units. However, nothing in this section prohibits or dissuades the provision of amenities and recreational facilities to Affordable Housing Unit residents at a lesser rate than that charged to non-Affordable Housing Units.

(F) Affordable Housing Units shall be rented or sold only to qualified persons whose annual household income does not exceed sixty percent (60%) AMI, eighty percent (80%) AMI, one hundred percent (100%) AMI, or one hundred twenty percent (120%) AMI for the household size for which the housing unit was designed, as applicable, and for home sales, the Cost of Ownership does not exceed 35% of the household's gross annual income.

(G) To qualify as an Affordable Housing Unit, the housing unit must be occupied as the principal residence of the occupant or occupants.

(H) Any fee charged by the Project Sponsor to the prospective tenant or purchaser of an Affordable Housing Unit must be a usual, customary transaction fee normally incurred in a residential transaction. The Director may establish a range of fees that are presumptively usual and customary in such transactions based on industry data in use at the time that the tax abatement is granted.

(I)

The Director is authorized to adopt and implement such rules, standards, and processes as are necessary to administer this chapter and that are consistent with the City's goal of providing Affordable Housing Units within Development Projects that receive a CRA tax exemption.

(J) Development Projects that are not completed due to a major casualty, condemnation or other force majeure event as determined by the Director of Development, are required to provide a proportional percentage of Affordable Housing Units as measured against the total housing units constructed (i.e., if the Development Project was supposed to construct 4 apartment buildings with 40 units each, and 40 units were required to be Affordable Housing Units, and if the Developer constructed 2 apartment buildings, then each of the 2 buildings constructed must have 10 Affordable Housing Units).

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.05 - Additional requirements for Owner Occupied Affordable Housing Units.

(A) To be eligible for a CRA tax abatement under this chapter, Project Sponsors developing projects that include owner-occupied housing units shall, in addition to the applicable agreement requirements set forth in Sections 4565.07, 4565.08, and 4565.09 of this chapter, be required to enter into an agreement with the City, which may include executing restrictive covenants, as determined necessary by the Director, in consultation with the City Attorney, to ensure that all owner-occupied Affordable Housing Units remain affordable for the duration of any abatement provided under this chapter.

(B) *Initial Pricing.* The initial sale price of an owner-occupied Affordable Housing Unit less down payment and/or affordability assistance from a governmental entity or comparable organization, including a lender, must be set at a level that is at or below 120% AMI and the Cost of Ownership shall not exceed 35% of the household's annual gross income.

(C) *Resale*: For Development Projects of four (4) or more owner-occupied housing units, the Director shall adopt rules to establish the resale price of owner-occupied Affordable Housing Units subject to this chapter. Such rules shall consider the purposes of this chapter to encourage the construction of affordable housing throughout the City while enabling owner-occupant sellers of Affordable Housing Units to realize a reasonable return on the sale of the housing unit, including consideration of improvements made to the housing unit by the owner-occupant. For Development Projects consisting of three (3) or fewer owner-occupied housing units in Market Ready and Ready for Revitalization Areas, the real property tax abatement provided under this chapter shall cease upon transfer of the property or any unit thereon that does not conform with deed restrictions that ensure its continued affordability for the duration of the abatement. If a Project Sponsor paid a fee-in-lieu rather than providing

the required number of rental Affordable Housing Units for its Development Project, and all or some of the units on the property were subsequently converted to owner-occupied units during the abatement term, the real property tax abatement shall be revoked unless the new owner-occupant's gross annual income is at or below one hundred and twenty percent (120%) AMI and for which the annual cost of ownership does not exceed thirty-five percent (35%) of the household's gross annual income.

(D) The Project Sponsor shall be responsible for reporting to the Director the number of Affordable Housing Units in the Development Project for the duration of the abatement period, which requirement shall be included as a restrictive covenant running with the land.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.06 - Availability of incentives.

(A) CRA tax incentives for Development Projects containing four (4) or more housing units within post-1994 CRAs designated Market Ready Areas, Ready for Revitalization Areas, or Ready for Opportunity Areas require the Project Sponsor to apply for an abatement and enter into an agreement with the City per the deadlines included in the Director's Rules. A Project Sponsor may request that this time-frame be extended for good cause, subject to approval by the Director. The agreement required herein must include the terms specified in Section 4565.07 for Market Ready Areas, Section 4565.08 for Ready for Revitalization Areas, and 4565.09 for Ready for Opportunity Areas.

(B) Development Projects shall not be artificially divided to avoid the agreement requirements within this chapter.

(C) For a Development Project involving the remodeling of a structure containing not more than three (3) owner-occupied housing units, and that otherwise qualifies for real property tax abatement, the Project Sponsor shall be required to apply for an abatement and enter into an agreement with the City per the deadlines included in the Director's Rules and if the remodeled structure for homeownership is located in a Market Ready or Ready for Revitalization Area, all remodeled units within the Development Project must be Affordable Housing Units affordable to owners with household incomes that are at or below one hundred twenty percent (120%) AMI and for which the annual cost of ownership does not exceed thirty-five percent (35%) of the household's gross annual income to be eligible for the tax abatement. Payment of a fee is not available in lieu of meeting this affordability requirement for owner-occupants in three or fewer units that have been remodeled.

If the remodeled structure containing not more than three (3) housing units for rental is located in a

Market Ready or Ready for Revitalization Area, at least one (1) remodeled unit within the Development Project must be an Affordable Housing Unit for rent to occupants with household incomes that are at or below sixty percent (60%) AMI to be eligible for the tax abatement.

(D) For a Development Project involving the construction of new structure(s) resulting in not more than three (3) owner-occupied housing units, and that otherwise qualifies for real property tax abatement, the Project Sponsor shall be required to apply for an abatement and enter into an agreement with the City per the deadlines included in the Director's Rules and if the new structure(s) will be located in a Market Ready Area or Ready for Revitalization Area, all owner-occupied housing units within the Development Project must be Affordable Housing Units, as defined in this chapter, for occupants whose annual household income is at or below one hundred twenty percent (120%) AMI and for which the annual cost of ownership does not exceed thirty-five percent (35%) of the household's gross annual income to be eligible for the tax abatement. Payment of a fee is not available in lieu of meeting the Affordable Housing Unit requirement for Development Projects consisting of three or fewer owner-occupied housing units.

If the new structure contains three or fewer rental housing units and is located in a Market Ready or Ready for Revitalization Area, at least one (1) new units for rent within the Development Project must be affordable to occupants with household incomes that are at or below sixty percent (60%) AMI to be eligible for the tax abatement.

(E) For a Development Project within post-1994 CRAs designated as Ready for Opportunity Areas that include three or fewer housing units (whether rented or owner-occupied) shall receive an abatement of property taxes on one hundred percent (100%) of the increase in the assessed valuation of the structure(s) for a period of fifteen (15) years. These Development Projects in Ready for Opportunity Areas do not require the Project Sponsor to enter into an agreement with the City, however, the Project Sponsor must apply for the abatement per the timeframe in the Director's Rules.

(F) The statement of required terms in Sections 4565.05, 4565.07, 4565.08, and 4565.09 shall not be construed to limit the authority of the Director to prescribe additional agreement terms by rule, subject to approval as to form by the City Attorney, provided such rules are consistent with the intent of this Chapter to incentivize the construction of Affordable Housing Units in CRAs in consideration of receiving a tax abatement.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 2781-2018 , § 2, 10-22-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.07 - Required terms for incentive agreements in Market Ready Areas.

This section includes terms required in agreements for Market Ready Areas per division (A) of Section 4565.06 of this Chapter. They are not self-executing terms for purposes of receiving an abatement.

(A) A Project Sponsor of a Development Project containing four (4) or more housing units in a Market Ready Area must elect one of the requirements specified below (whether rented or owner-occupied, as applicable) in order to be eligible for a one hundred (100%) percent abatement of the increase in assessed value of the structure for a period of fifteen (15) years from the date of the issuance of a certificate of occupancy (or an earlier date, if elected by the Project Sponsor with the City's consent, subject to the approval of the Franklin County Auditor of such earlier date):

a. For the duration of the incentive, a minimum of ten percent (10%) of the housing units in the Development Project are Affordable Housing Units rented to occupants with a household income at or below sixty percent (60%) AMI, and an additional ten percent (10%) or more of the housing units in the development are Affordable Housing Units rented to occupants with household incomes at or below eighty percent (80%) AMI.

b. For the duration of the incentive, a minimum of thirty percent (30%) of the housing units in the Development Project are Affordable Housing Units rented to occupants with a household income at or below eighty percent (80%) AMI.

c. For the duration of the incentive, all housing units in the Development Project are Affordable Housing Units sold to occupants with a household income at or below one hundred and twenty percent (120%) AMI and for which the annual Cost of Ownership does not exceed thirty-five percent (35%) of the household's gross annual income.

(B) The Project Sponsor may receive credit equal to one (1) Affordable Housing Unit for each of the following, with (a), (b) and (c) applicable to owner-occupied or rental units, and with (d) applicable to rental units only:

a. For every one million dollars ($1,000,000.00) of environmental remediation expenses associated with the Development Project;

b. For every twenty-five thousand (25,000) square feet of Class A office space constructed as part of an affiliated commercial development, or remodel within the same structure, as where the Affordable Housing Unit(s) would otherwise be required. The Director may establish rules defining what is an affiliated commercial development or remodel, taking into consideration their usual and customary business definitions.

c. If the project is to remodel a property listed on the Columbus Register of Historic Properties, then the Affordable Housing Unit requirements shall not apply and no agreement under Section 4565.06 shall be required.

d. For rental projects, the Project Sponsor may make a one-time payment to the City of Columbus, Department of Development in lieu of providing Affordable Housing Units; the one-time fee-in-lieu payment shall be computed starting with a base amount of $32,000 per required Affordable Housing Unit increased by the product of the base amount multiplied by the percentage increase in the Consumer Price Index (CPI), as calculated every August 1 with the first multiplier being the change in the CPI from August 1, 2022 to August 1, 2023, increased further by five percentage points. This calculation will constitute the new base amount for the succeeding year and will be adjusted annually based on the change in the CPI plus five percentage points thereafter. Project Sponsors may opt to include some amount of Affordable Housing Units in a Development Project and provide fee-in-lieu for the remaining number of required Affordable Housing Units. If a Project Sponsor opts to provide fee-in-lieu for all of the required rental Affordable Housing Units in a Development Project, the Project Sponsor is required to make a fee-in-lieu payment equal to 20% of the total number of units in the Development Project.

(C) Default on Affordable Housing Unit Requirement.

1. If the required number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI or eighty percent (80%) AMI, as applicable, falls below the minimum requirements prescribed by division (A) of this Section, for a period of ninety (90) days or less, the Project Sponsor or owner as applicable must provide written notice of the shortfall to the Director within ten (10) business days of such shortfall.
2. If the required number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI or eighty percent (80%) AMI, as applicable, which remains below the minimum requirements prescribed in division (A) of this Section, for a period of more than ninety (90) but less than one hundred eighty (180) days, the Project Sponsor shall be responsible for making payment to the City of Columbus, Department of Development in an amount determined by reference to the following table:

Affordable Housing Shortfall (by % below required number of units)	Required Payment (by % of annual real property tax abated)
Up to 25%	20%
>25% up to 50%	40%

>50% up to 75%	65%
>75%	90%

If the payment required by this subsection is less than what the fee-in-lieu would be under division 4565.07(B)(d) of this section for the Affordable Housing Unit shortfall, the Project Sponsor shall pay the fee- in-lieu amount to the City rather than the amount provided by this subsection.

3. If the number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI, or at or below eighty percent (80%) AMI, as applicable, and remains below fifty percent (50%) of the number of Affordable Housing Units prescribed in division (A) of this Section, for a period of two consecutive years, the Director shall have cause to take such action as necessary to cause the abatement to cease and return the property to fully taxable status. In the alternative, the Project Sponsor and the City may execute an addendum to the agreement by which the Project Sponsor agrees to pay a fee for the Affordable Housing Unit shortfall for the remaining duration of the abatement, which amount shall be the fee amount as described in Section 4565.07(B)(d) for each unit that is required to be an Affordable Unit, divided by 15, multiplied by the number of years remaining in the abatement period.
4. The remedies provided for default herein are not intended, and shall not be so construed, to limit the City's ability to avail itself of other remedies at law or in equity for breach of the agreement.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 2781-2018 , § 3, 10-22-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.08 - Required terms for incentive agreements in Ready for Revitalization Areas.

The stated terms and conditions applicable to agreements required for Ready for Revitalization Areas by division (A) of Section 4565.06 are not self-executing terms for receipt of an abatement.

(A) A Project Sponsor of a Development Project containing four (4) or more housing units in a Ready for Revitalization Area must elect one of the requirements specified below in order to be eligible for a one hundred (100%) percent abatement of the increase in assessed value of the structure for a period of fifteen (15) years from the date of the issuance of a

certificate of occupancy (or an earlier date, if elected by the Project Sponsor with the City's consent, subject to the approval of the Franklin County Auditor of such earlier date). Subsections (a) and (b) apply to rental units and subsection (c) applies to owner-occupied units:

a) For the duration of the incentive, a minimum ten percent (10%) of the housing units in the Development Project are Affordable Housing Units rented to occupants with household income at or below sixty percent (60%) AMI, and an additional ten percent (10%) or more of the housing units in the development are affordable housing units rented to occupants with household income at or below eighty percent (80%) AMI.

b) For the duration of the incentive, a minimum thirty percent (30%) of the housing units in the Development Project are Affordable Housing Units rented to occupants with household income at or below eighty percent (80%) AMI.

c) For the duration of the incentive, all housing units in the Development Project are Affordable Housing Units sold to occupants with household incomes at or below one hundred and twenty percent (120%) AMI and for which the annual cost of ownership does not exceed thirty-five percent (35%) of the household's gross annual income.

(B) The Project Sponsor may receive credit equal to one (1) Affordable Housing Unit for each of the following, with (a), (b) and (c) applicable to owner-occupied or rental units, and with (d) applicable to rental units only:

a. For every one million dollars ($1,000,000.00) of environmental remediation expenses required to construct the Development Project;

b. For every twenty-five thousand (25,000) square feet of Class A office space constructed as part of an affiliated commercial development or remodel within the area. The Director may establish rules defining what is an affiliated commercial development or remodel, taking into consideration their usual and customary business definitions.

c. If the Development Project is a renovation of a property listed on the Columbus Register of Historic Properties, then the Affordable Housing Unit requirements shall not apply and no agreement under Section 4565.06 shall be required.

d. The Project Sponsor may make a one-time payment to the City of Columbus, Department of Development in lieu of providing rental Affordable Housing Units; the one-time fee-in-lieu payment shall be computed starting with a base amount of $16,000 per required Affordable Housing Unit increased by the product of the base amount multiplied by the percentage increase in the Consumer Price Index (CPI), as calculated every August 1 with the first multiplier being the change in the CPI from August 1, 2022 to August 1, 2023, increased further by five percentage points. This

calculation will constitute the new base amount for the succeeding year and will be adjusted annually based on the change in the CPI plus five percentage points thereafter. Project Sponsors may opt to include some amount of Affordable Housing Units in a Development Project and provide fee-in-lieu payments for the remaining number of required Affordable Housing Units. If a Project Sponsor opts to provide fee-in-lieu payments for all of the required Affordable Housing Units in a Development Project, the Project Sponsor is required to make a fee-in-lieu payment equal to 20% of the total number of units in the Development Project.

(C) Development Projects providing the Affordable Housing Units required under division (A) of this section, or those receiving credits or paying a fee-in-lieu instead of providing Affordable Housing Units required under division (A) of this section, shall be eligible for a real property tax abatement of one hundred percent (100%), of the assessed value of the structure(s) constructed, for a period of fifteen (15) years from the date of the of a certificate of occupancy (or an earlier date, if elected by the Project Sponsor with the City's consent), and subject to the approval of the Franklin County Auditor of such earlier date.

(D) Default on Affordable Housing Unit Requirement.

1. If the number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI or is at or below eighty percent (80%) AMI, as applicable, which falls below the proportions prescribed by division (A) for a period of ninety (90) days or more but less than 180 days, the Project Sponsor or Owner, as applicable, must provide written notice of the shortfall to the Director within ten (10) business days.
2. If the number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI or is at or below eighty percent (80%) AMI, as applicable, which remains below that prescribed in division (A) of this Section for one hundred eighty (180) days but less than two years, the Project Sponsor shall be responsible for making payment to the City of Columbus, Department of Development in an amount determined by the following table:

Affordable Housing Shortfall (by % below required number of units)	Required Payment (by % of annual real property tax abated)
Up to 25%	20%
>25% up to 50%	40%

>50% up to 75%	65%
>75%	90%

If the payment required by this subsection is less than the fee-in-lieu amount would be under division Section 4565.08(B)(d) of this section for the Affordable Housing Unit shortfall, the Project Sponsor shall pay the fee-in-lieu amount to the City rather than the amount provided by this subsection.

3. If the number of Affordable Housing Units rented by persons whose household income is at or below sixty percent (60%) AMI or is at or below eighty percent (80%) AMI, as applicable, which remains below fifty percent (50%) of that prescribed in division (A) of this Section for a period of two years or more, the Director shall have cause to take such action as necessary to cause the abatement to terminate and return the property to full taxable status. In the alternative, the Project Sponsor and the City may execute an addendum to the agreement by which the Project Sponsor agrees to pay a fee-in-lieu amount for the Affordable Housing Unit shortfall for the remaining duration of the abatement. The fee-in-lieu amount shall be as described in Section 4565.07(B)(d) for each unit that is required to be an Affordable Unit, divided by 15, multiplied by the number of years remaining in the abatement period.
4. The remedies provided for default herein are not intended, and shall not be so construed, to limit the City's ability to avail itself of other remedies at law or in equity for breach of the agreement.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.09 - Required terms for incentive agreements in Ready for Opportunity Areas.

The stated terms and conditions applicable to agreements required for Ready for Opportunity Areas by division (A) of Section 4565.06 are not self-executing terms for receipt of an abatement.

(A) A Project Sponsor of a Development Project containing four (4) or more rental housing units in a Ready for Opportunity Area shall be eligible for one of the incentives below:

a) One hundred percent (100%) of the increase in assessed value of the structure for a period of fifteen (15) years if, for the duration of the incentive, a minimum ten percent

(10%) of the housing units in the Development Project are Affordable Housing Units rented to occupants with household income at or below eighty percent (80%) AMI, and an additional ten percent (10%) or more of the housing units in the development are Affordable Housing Units rented to occupants with household income at or below one hundred percent (100%) AMI.

(B) The Project Sponsor may receive credit equal to one (1) Affordable Housing Unit rental for each of the following:

a) For every one million dollars ($1,000,000.00) of environmental remediation expenses required to construct the Development Project;

b) For every twenty-five thousand (25,000) square feet of Class A office space constructed as part of an affiliated commercial development or remodel within the area. The Director may establish rules defining what is an affiliated commercial development or remodel, taking into consideration their usual and customary business definitions.

c) If the Development Project is a renovation of a property listed on the Columbus Register of Historic Properties, then the Affordable Housing Unit requirements shall not apply and no agreement under Section 4565.06 shall be required.

d) The Project Sponsor may make a one-time payment to the City of Columbus, Department of Development, in lieu of providing Affordable Housing Units; the one-time fee-in-lieu payment shall be computed starting with a base amount of $5,000 per required Affordable Housing Unit multiplied by the percentage increase in the Consumer Price Index (CPI), as calculated every August 1 with the first multiplier being the change in the CPI from August 1, 2022 to August 1, 2023, increased further by five percentage points. This calculation will constitute the new base amount for the succeeding year and will be adjusted annually based on the CPI plus five percentage points thereafter. Project Sponsors may opt to include some amount of Affordable Housing Units in a Development Project and buy-out the remaining number of required Affordable Housing Units. If a Project Sponsor opts to provide a fee-in-lieu for all of the required Affordable Housing Units in a Development Project, the Project Sponsor is required to make a fee-in-lieu payment equal to 20% of the total number of units in the Development Project.

(C) Development Projects providing the Affordable Housing Units required under division (A) of this section, or those receiving credits or paying a fee-in-lieu of providing Affordable Housing Units required under division (A) of this section, shall be eligible for a real property tax abatement of one hundred percent (100%), of the assessed value of the structure(s) constructed, for a period of fifteen (15) years from the date of the issuance of a certificate of occupancy (or an earlier date, if elected by the Project Sponsor with the

City's consent, subject to the approval of the Franklin County Auditor of such earlier date).

(D) Default on Affordable Housing Unit Requirement.

1. If the number of Affordable Housing Units rented by persons whose household income is at or below eighty percent (80%) AMI or is at or below one hundred percent (100%) AMI, as applicable, which falls below the proportions prescribed by division (A) for a period of ninety (90) days or more but less than 180 days, the owner must provide written notice of the shortfall to the Director within ten (10) business days.
2. If the number of Affordable Housing Units rented by persons whose household income is at or below eighty percent (80%) AMI or is at or below one hundred percent (100%) AMI, as applicable, which remains below that prescribed in division (A) of this Section for one hundred eighty (180) or more days but less than two years, the Project Sponsor shall be responsible for making payment to the City of Columbus, in an amount determined by the following table:

Affordable Housing Shortfall (by % below required number of units)	Required Payment (by % of annual real property tax abated)
Up to 25%	20%
>25% up to 50%	40%
>50% up to 75%	65%
>75%	90%

If the payment required by this subsection is less than the what the fee-in-lieu would be under division 4565.09(B)(d) of this section for the Affordable Housing Unit shortfall, the Project Sponsor shall pay the fee-in-lieu amount to the City rather than the amount provided by this subsection.

3. If the number of Affordable Housing Units rented by persons whose household income is at or below eighty percent (80%) AMI or at or below one hundred percent (100%) AMI, as applicable, which remains below fifty percent (50%) of that prescribed in division (A) of this Section for two years or more, the Director shall have cause to take such action as necessary to cause the abatement to terminate and return the property

to full taxable status. In the alternative, the Project Sponsor and the City may execute an addendum to the agreement by which the Project Sponsor agrees to pay a fee-in-lieu for the Affordable Housing Unit shortfall for the remaining duration of the abatement. The fee-in-lieu amount shall be as described in Section 4565.09(B)(d) for each unit that is required to be an Affordable Unit, divided by 15, multiplied by the number of years remaining in the abatement period.

4. The remedies provided for default herein are not intended, and shall not be so construed, to limit the City's ability to avail itself of other remedies at law or in equity for breach of the agreement.

(Ord. No. 2184-2018 , § 1, 7-30-2018; Ord. No. 1843-2022 , § 1, 7-25-2022; Ord. No. 1839-2023 , § 1, 7-10-2023)

4565.10 - Income and asset verification.

(A) The Director shall establish rules by which the annual household income of prospective tenants and purchasers of affordable housing units subject to this chapter shall be verified. The Director shall also establish rules by which the asset holdings of prospective tenants and purchasers of affordable housing units subject to this chapter shall be verified, as well as a means of imputing income to these assets where appropriate.

(B) Project sponsors or (if the project sponsor has divested its ownership or control of the development project) the condominium association or homeowners' association, or other successor in interest of the project sponsor, shall provide an annual report, in a form to be established by the Director, attesting that it has verified that households occupying affordable housing units in the development project are qualifying households. Project sponsors shall be subject to audit of any verification documentation required to be collected by the rules established by the Director under division (A) of this section. For owner-occupied affordable housing units, a statement attesting to occupation by a qualifying household shall only be required upon transfer of title.

(Ord. No. 2184-2018 , § 1, 7-30-2018)

4565.11 - Job Creation Incentive Programs Employer Minimum Wage.

(A) In order to qualify for a Jobs Growth Incentive, a Downtown Office Incentive, a Jobs Creation Tax Credit, and/or a subsequent program that may be created after the amending of this code section from the department of development, a Grantee of such financial incentive must pay the net new employees to which the incentive applies a minimum wage of no less than twenty dollars ($20.00) per hour. All agreements authorized by city council for these programs shall

require continued compliance with this minimum wage requirement throughout the term of the agreement.

(1) Upon the recommendation of the director of development, this provision may be waived only by a vote of city council.

(B) Any project receiving an offer letter or executed agreement from the department of development prior to December 5, 2022 is exempted from this requirement if the agreement includes terms materially different than those required in this section.

(C) The director of development shall provide a report annually to city council on or before September 1st detailing the wages of jobs incentivized by the aforementioned programs.

(D) The Job Creation Incentive Programs Employer Minimum Wage shall be reassessed every three (3) years.

(Ord. No. 3381-2018 , § 1, 12-10-2018; Ord. No. 3221-2022 , § 1, 12-5-2022)

4565.12 - Revocation and recapture of incentives

Recipients or beneficiaries of financial incentives defined in this chapter are subject to the provisions of Chapter 377 of Columbus City Codes. Following a rendering of an adverse determination for a violation of provisions of Chapter 377, and subject to a recommendation of the Wage Enforcement Commission, financial incentives may be revoked and any foregone revenue as a function of said financial incentive may be subject to recapture.

(Ord. No. 1802-2020 , § 5, 9-21-2020)

ANN ARBOR
AFFORDABLE HOUSING FUND

PREFACE

The Ann Arbor Affordable Housing Fund was first proposed in the City of Ann Arbor Housing Policy adopted by City Council in July, 1989. The Affordable Housing Fund guidelines were developed by the Community Development Department and approved by the Housing Policy Board in February, 1991 and by the Ann Arbor City Council in April, 1991. Since its inception, the Housing and Human Services Advisory Board (HHSAB) has recommended and City Council has approved a range of housing projects with the vast majority targeted for residents with the lowest incomes. There have been very few projects approved which are targeted toward residents whose incomes fall within the range of 50% to 80% of median income because of the intent of the HHSAB to serve those with the greatest needs.

STATEMENT OF PURPOSE

The Ann Arbor Affordable Housing Fund is established for the promotion, retention and creation of long term affordable housing for households with incomes less than 60% of the City's median income. Further, the Fund is established to improve housing conditions for City of Ann Arbor residents, with priority given to those whose income is at or below 30% of the median household income.

It is the goal of the City to provide a full range of housing opportunities to all its citizens. It is the intent of the City to administer this fund in a flexible manner in order to best meet the housing needs of the City.

The Ann Arbor Affordable Housing Fund is established to provide and distribute financial support in the form of loans, grants or other forms of financial assistance to individuals, organizations or projects that create, retain, rehabilitate or preserve long term affordable housing.

ESTABLISHMENT OF FUND

The Mayor and City Council established by resolution a special revenue account under the name "Ann Arbor Affordable Housing Fund" with revenues specifically dedicated to the Affordable Housing Fund by City Council, any donations from public and private sources, and any federal, state or other funds so designated. It is the intention of the City Council that the Affordable Housing Fund be a dedicated fund in perpetuity for the purposes set out above. Principal and interest from loan repayments, proceeds from grant repayments, forfeitures, reimbursements, and all other income from Fund activities are deposited in the fund. Funds repaid to the City from any of the above sources shall be administered subject to applicable federal, state and city requirements. All funds in the account earn interest at least at the same rate as the City's pooled investments managed by the City Treasurer. All interest earnings from the account are reinvested and dedicated to the account. All appropriated funds in the Affordable Housing Fund are available for eligible program expenditures.

DISTRIBUTION AND USES OF FUNDS

Funds in the Affordable Housing Fund are used to meet the housing needs of individuals and families with incomes less than 60% of the City's median income. Projects to be funded may include pre-development feasibility analysis, rental assistance, technical assistance to nonprofit housing providers, administration of affordable housing programs, new construction, rehabilitation, conversion of housing for use by lower income residents, or acquisition of land or property for use as low income housing.

It is the City's intent that the terms of its loans and grants be established so that the deepest City subsidies go to housing targeted to the lowest income households.

All distributions of principal, interest and other assets of the Affordable Housing Fund are made in furtherance of the purposes set out above, including disbursements from interest earnings necessary to support the Affordable Housing Fund's operations.

ELIGIBILITY REQUIREMENTS FOR PROJECTS UNDER $25,000

Project applications are available from the Washtenaw County Office of Community & Economic Development (OCED) and may be submitted at any time during the program year. OCED will review and approve these proposals as an administrative function and will follow the City's procurement guidelines.

ELIGIBILITY REQUIREMENTS FOR PROJECTS $25,000 OR GREATER

OCED will make an application available to any entity interested in financial support from the Ann Arbor Affordable Housing Fund. OCED may periodically issue a Request for Proposals for Ann Arbor Affordable Housing funds and other housing funds as they become available. Applications should

normally follow that process, although emergent need applications may be considered at any time during the year. OCED and the Housing and Human Services Advisory Board (HHSAB) will review all applications, regardless of how they are submitted. A recommendation will be made to the Mayor and City Council, which will make the final decision to approve the proposal.

Disbursements may be made to non-profit corporations, municipal corporations, for-profit corporations, partnerships, limited equity cooperatives, or to individuals. All projects must be decent, safe and sanitary and meet the Housing Quality Standards as established by the Department of Housing and Urban Development, and the local Code. The City has a priority on using Affordable Housing Fund dollars on projects within the City limits, but will allow for Fund dollars to be used outside the City limits.

Financial assistance shall not be awarded by the Affordable Housing Fund to any corporation, partnership or individual in default according to Section 14.3(e) of the City Charter at the time of final consideration in payment of property taxes, or whose subject property has violations of the City Housing or Building codes or is in violation of the zoning ordinance relating to the subject project. Consideration shall be given to projects which propose correction of the above-mentioned violations. Priority is to be given to projects which address the following:

X the perpetual affordability of units;

X projects which serve predominantly individuals and families with incomes less than 30% of the City's median income.

APPLICATION REQUIREMENTS

Applications must be submitted for each project and include the following:

1. Amount of the request; type of assistance requested (i.e. grant, loan)
2. Project narrative that includes:
    a. the project location
    b. whether the project is a new or existing structure
    c. the number of units (both new and replacement)
    d. percentage of extremely low or very low income benefit (defined as number of households making less than 30% (extremely low) and 50% (very low) and 60% of the current Ann Arbor median income as established by HUD)
    e. period of time which lower income benefit is guaranteed
    f. provisions to insure that units will be occupied by low income individuals initially and throughout the project life
    g. willingness to accept persons holding Section 8 certificates/vouchers
    h. the project schedule or timeline (which shows the length of time required to complete the project)
    i. the project's current permitting status
    j. a description of any supportive services provided by the project
    k. how the project is consistent with the most recent housing needs assessment goals;
3. Description of organization that includes:
    a. organization history
    b. other projects completed
    c. history in managing other rental property including conditions of buildings
    d. applicant's performance on other similar projects, or unique or special organizational characteristics which would indicate the capacity to carry out housing activities;
4. Description of population to be served;
5. Financial documentation that describes the fiscal health of the organization;
6. Project pro forma and budget that includes:
    a. complete financial package
    b. amount and type of project funding that is committed and secured
    c. cost effectiveness of project in terms of meeting need (both total cost per unit and total Trust funds per unit)
    d. utilization of Affordable Housing Funds to leverage other funding sources whenever possible, particularly other subsidized or below market sources;
7. And/or other information as requested by the HHSAB through application forms as updated from time to time by the Board.

This information shall be reviewed by OCED staff and presented to the HHSAB for consideration. The HHSAB will forward projects to City Council for which it recommends final consideration. The HHSAB may waive provisions of the criteria in order to recommend a project if it is deemed to serve an overriding public purpose.

Reconsideration of a project will be allowed if a new application is submitted with substantially different information from the previous application.

TERMS AND CONDITIONS

Affordable Housing Funds can be awarded in any form determined advisable by the HHSAB, subject to applicable state and federal laws and regulations, including but not limited to: low interest loans with terms determined by the "gap financing" needed to make the project feasible; a deferred loan which requires repayment under conditions defined for the project; or other types of financial assistance determined to be appropriate and necessary for the project. In general, the City has flexibility in how to award funds, either as a grant or as a loan.

When funds from the Affordable Housing Fund are awarded for acquisition, construction, or rehabilitation, the owner must sign an enforceable affordability agreement relating to the long term affordability of the unit, for a period of at least twenty years. Annual reporting is also required.

Repayments to the City are deposited into the Affordable Housing Fund and reused for other eligible Affordable Housing Fund projects.

ADMINISTRATION OF THE FUND

The HHSAB, as appointed by the Mayor and City Council, administers the Affordable Housing Fund as specified herein. The HHSAB review applications and make recommendations to City Council on the allocation of the Affordable Housing Fund for requests of $25,000 or greater. The number of members, tenure of office, duties, manner of calling meetings and other tasks of the HHSAB are stated in the Bylaws approved by the HHSAB.

The City Council makes final decisions on the allocation of Affordable Housing Funds of $25,000 or greater. City Council shall take action on recommendations of the HHSAB. A typical review of an application will take no more than thirty (30) days as long as all of the required information is included in the application. City Council will, in most cases, take action on recommendations of the HHSAB at their next scheduled meeting. The Office of Community & Economic Development provides staff assistance to the HHSAB. This includes: maintaining the financial and other records of the Fund; assisting prospective applicants for Affordable Housing Fund support in the preparation of their applications; monitoring the use of the monies distributed to applicants to assure ongoing compliance with the purpose of the Fund and the conditions under which the monies were granted or loaned; reporting periodically, but not less than every twelve (12) months to the City Council regarding the operation and activity of the Fund.

For a copy of the application form, contact:
The Office of Community & Economic Development
P.O. Box 8645
Ann Arbor, Michigan 48107
Applications are also available through the OCED website at www.ewashtenaw.org or call (734) 544-6748.

Last revised: October, 1997
Last revised: November 9, 2006
Last revised: October 20, 2014

City	% of affordable or diverse housing required	Developer Incentives	Alternatives allowed	Units produced	In-Lieu Fee and Calculation	Term of affordability or diversity	Affordable Housing initiatives
East Lansing, MI	25% diverse units	1 credit for each unit exceeding the 25% requirement	No alternatives	91 units produced since adoption (Newman Lofts)	No fee	not specified	Successful Leasing Program, Downpayment Assistance Program, Home Rehabilitation Program, East Lansing Housing Commission
Chapel Hill, NC	15% (10% in Town Center) affordable units	Density bonuses, floor area bonuses, fee waivers, reduction of lot size requirements	Off-site construction, land dedication, dedication of existing units, payment-in-lieu	In 2024, 6 units of affordable homes in Town were developed Since 2018, 131 affordable homes developed 1,000 affordable units in the pipeline for development over next 5 years	Based on avg subsidy needed per unit adjusted annually Current payment-in-lieu amount is $85,000 per unit	permanent	Local Affordable Housing Funding Program (AHFP), Affordable Housing Loan Fund, Affordable Housing Bond, General obligation bond

City	% of affordable or diverse housing required	Developer Incentives	Alternatives allowed	Units produced	In-Lieu Fee and Calculation	Term of affordability or diversity	Affordable Housing initiatives
Boulder, CO	25% of units as permanently affordable (5 or more dwelling units) 20% of units as permanently affordable (4 or fewer dwelling units)	Density and floor area bonuses	Off-site development, land dedication, cash-in-lieu	Over 4,098 affordable homes as of 2024 (up from 981 in 1992) 8.7% of all units citywide are permanently affordable	Based on residential sq ft and affordability gap; adjusted annually City has an online calculator	permanent (deed restricted)	Affordable Housing Fund, Community Housing Assistance Program, Boulder County Down Payment Assistance Program
Pittsburgh, PA (Lawrenceville IZ Overlay)	10% (12% for off-site) affordable units	Not specified, tax abatements available citywide	Off-site option, In-lieu payment	378 units post-IZ vs 677 pre IZ (varying studies, see resources for more info)	Not specified	35 years	Pennsylvania Homeowner Assistance Fund, Housing Opportunity Fund, Pittsburgh Downtown Conversion Program

City	% of affordable or diverse housing required	Developer Incentives	Alternatives allowed	Units produced	In-Lieu Fee and Calculation	Term of affordability or diversity	Affordable Housing initiatives
Burlington, VT	15-25% affordable units (higher percentage on more expensive developments) Note: applies to student housing	Density, height and lot coverage bonuses, fee waivers	off-site development, payment-in-lieu	279 units built in 2024 In 2023, the 10-year avg was 119 units per year	$35,000 per dwelling unit for projects containing 5-16 dwelling units $70,000 per dwelling unit for projects containing 17-49 dwelling units $85,000 per dwelling unit for projects containing 50 or more dwelling units	99 years	Housing Trust Fund, Burlington Housing Authority
Portland, ME	25% workforce or low-income	Fee reductions if 25%+ units are affordable	Off site units, payment-in-lieu	775 affordable housing units in 2024 1,005 units are under construction, 727 of which are expected to be complete by the end of 2025	$182,830 per unit in 2025 (adjusted annually)	10-30 years (depends on percentage of workforce units provided)	Housing Trust Fund, Affordable Housing Tax Increment Financing, Workforce Housing Units

City	% of affordable or diverse housing required	Developer Incentives	Alternatives allowed	Units produced	In-Lieu Fee and Calculation	Term of affordability or diversity	Affordable Housing initiatives
Ann Arbor, MI	10-15% affordable units (PUD projects)	Height, density and floor area bonuses, 50% fee reimbursement	on-site units, in-lieu fee, or mix	Since 2015, 626 affordable units developed countywide 998 planned affordable units expected within 3 years (no citywide IZ)	Not specified	not specified	Affordable Housing Millage
Columbus, OH	10-15% affordable units (CRA)	Tax abatements for 15 years	In-lieu fee	Not specified	Fee allowed only in some districts (amounts negotiated per agreement)	15 years (CRA tied)	Rental Housing Production and Preservation, Homeownership Development Program, Ordinance 2146-2023, The Columbus Housing Reinvestment Act (CRA)

City	% of affordable or diverse housing required	Developer Incentives	Alternatives allowed	Units produced	In-Lieu Fee and Calculation	Term of affordability or diversity	Affordable Housing initiatives
State College, PA	10% inclusionary units	Reduction of density restrictions, bonus unit	Fee-in-lieu, off-site development, building and land donation	0 buildings in which inclusionary units are distributed among market units. All developers have paid the fee in-lieu or built them off-site Not specified how many affordable units have been built off site or by using the in-lieu fees	Based on an estimate of the actual cost of providing an inclusionary unit Amount not specified	99 years	Centre County Housing Authority

Condensed Version

City	East Lansing, MI	Chapel Hill, NC	Boulder, CO	Pittsburgh, PA (Lawrenceville IZ Overlay)	Burlington, VT	Portland, ME	Ann Arbor, MI	Columbus, OH	State College, PA
% of affordable of diverse housing required	25%	15% and 10%	25% and 20%	10% and 12%	15-25%	25%	10-15%	10-15%	10%
Units Produced	91 units since adoption	Since 2018, 131 affordable homes developed	3,117 units since 1992	378 units post-IZ	279 units built in 2024	775 affordable housing units in 2024	Since 2015, 626 affordable units developed countywide	Not specified	Not specified
Developer Incentives									
Density Bonus		**X**	**X**		**X**		**X**		**X**
Floor Area Bonus		**X**	**X**				**X**		
Reduction of lot size requirements		**X**			**X**				

City	East Lansing, MI	Chapel Hill, NC	Boulder, CO	Pittsburgh, PA (Lawrenceville IZ Overlay)	Burlington, VT	Portland, ME	Ann Arbor, MI	Columbus, OH	State College, PA
Fee Waiver		X			X	X	X		
Height Bonus					X		X		
Credit	X								
Tax abatement				X				X	
Bonus unit									X
Expedited process		x							
Alternatives Allowed									
Off-site		X	X	X	X	X			X
In-lieu payment		X	X	X	X	X	X	X	X
Land dedication		X	X						X
Dedication of existing units		X							X

Definitions:

Area Median Income (AMI): The midpoint of a specific area's income distribution.

Sending Site: An alternative location where off-site diverse housing units are provided and is eligible to transfer credits for those units to a receiving site

Receiving Site: The development subject to the diverse housing/inclusionary zoning requirement

Incentives:

Density: The permissible number of dwelling units that are allowed per unit or lot area

Density Bonus: Allow developers to increase density over the maximum allowable residential density on a site in exchange for a commitment to include a certain number of affordable/diverse units in the development or some other community benefit

> **Example:** Boulder, Colorado grants a density bonus of up to 10 additional dwelling units per acre in their RMX-2 Zoning District if developers meet a set of affordable housing requirements.

Floor Area Ratio Bonus (FAR): The net floor area of the building (s) on a lot divided by the net lot area. This establishes a relationship between a property and the amount of floor area permitted for that property. A floor area bonus allows developers to exceed the maximum allowable FAR permitted under the zoning code in exchange for the development of affordable/diverse housing or some other community benefit.

> **Example:** Chapel Hill, North Carolina grants floor area bonuses for two family or multi-family dwelling units for all zoning districts except R-SS-C ad MU-V zoning districts. The floor area bonuses are described in the table below:

Type of Unit by Bedroom	Floor Area Bonus per Affordable Housing dwelling unit for building without common interior space	Floor Area Bonus per Affordable Housing Unit for building with common interior space
Efficiency	2,400 square feet	3,000 square feet
1 Bedroom	3,400 square feet	4,250 square feet
2 Bedroom	4,100 square feet	5,125 square feet
3+ Bedroom	5,300 square feet	6,625 square feet

Reduction of Lot Size Requirements: reduces the smallest permissible area required under the zoning code for a single parcel of land on which a building or structure may be constructed in exchange for the development of diverse/affordable housing or some other community benefit.

> **Example:** Burlington, Vermont entitles any covered project under its Inclusionary and Replacement Housing Ordinance a right to increase the maximum lot coverage when all Inclusionary Units are constructed on the same lot.

Fee Waiver: The waiving or reduction of planning, permitting or impact fees to projects that include diverse or affordable units

> **Example:** Portland, Maine reduces development fees based on the percentage of new units that are low-income or workforce units. If 25% or more of new units are designated low-income or workforce housing, the project qualifies for a 25% reduction in development fees.

Height Bonus: Allows additional building height for the exchange of affordable/diverse housing or other community benefits.

> **Example:** Ann Arbor, Michigan allows the height limit of their ordinance to be increased by up to 30% by implementing an affordable housing component or sustainability component.

Credit: Provided to developers to reduce a housing requirement in future projects

> **Example:** East Lansing, MI provides one credit to a developer for each unit above the 25% diverse housing requirement that can be later used by the same developer to reduce the diverse housing requirement in future projects.

Tax Abatement: Reduction or removal of the amount of taxes owed for a specified period

> **Example:** The Local Economic Revitalization Tax Assistance (LERTA) program in Pittsburgh, Pennsylvania provides tax abatements of up to $250,000 per tax body for each of the 10 years of the program to commercial residential developments that meet specific affordability requirements.

Bonus Unit: An additional dwelling unit granted to developers in exchange for affordable/diverse housing or some other community benefit.

> **Example:** State College, Pennsylvania allows developments that provide inclusionary units on-site to have the option to add one additional bonus unit for each inclusionary unit provided as part of the land development plan.

Expedited Permitting Process: City staff expedite and simplify the permitting and review process for affordable/diverse housing projects.

> **Example:** Chapel Hill, North Carolina has an expedited review process for projects that include at least 25% affordable housing. They state, "the new Residential Community Priority-Conditional Zoning District (R-CP-CZD) offers a reduced review timeline from 12-18 months to less than six months."

Alternatives:

Off-site Units:

A developer may opt to provide the required affordable or diverse housing at a separate location than the proposed site.

Advantages:

- Can be more cost-effective as it can often produce more total units
- Can leverage other affordable housing subsidies to produce additional units or serve lower-income residents

Disadvantages:

- May concentrate affordable units in lower-income areas (by design or by accident)
- May lack accountability to ensure off-site units are built

Case Study: Boulder, Colorado
Inclusionary Housing Off-site Requirements and Timelines | City of Boulder

Off-site affordable units may be provided as for sale or rental housing.

Off-site requirements for newly constructed affordable units:

Steps to provide newly constructed affordable units off-site as outlined by Boulder, Colorado

1. *Developments subject to a planning land use review start that process with the Planning Division (sending site)*

2. *Discuss options for meeting the IH requirement with a housing planner; choose to provide some or all of the required affordable units off-site (sending site)*
3. *The Inclusionary Housing requirement or the sending site is determined and documented (sending site)*
4. *An off-site location is proposed trough a pre-application submittal and approved (receiving site)*
5. *Planning land use review (sending site)*
6. *Development subject to a land use review start that process with the Planning Division (receiving site)*
7. *IH requirement for sending and receiving site finalized and documented (receiving site)*
8. *Documents and guarantees are executed; may submit for a building permit (sending/receiving site)*
9. *Receiving site Certificate of Occupancy (sending site)*
10. *Housing Inspections and monitoring (receiving site)*
11. *Marketing of for-sale units or leasing of rental units can begin (receiving site)*
12. *Certificate of Occupancy- no later than one year after the sending site receives any temporary or final CO. Guarantees fully released. (receiving site)*

Requirements when Deed Restricting Existing Units:

1. *Developments subject to a planning land use review start that process with the Planning Division (sending site)*
2. *Discuss options for meeting the IH requirement with a housing planner; choose to provide some or all of the required affordable units off-site (sending site)*
3. *A preliminary estimate of the IH requirement for the Sending Site is determined and existing units may be proposed (sending site)*
4. *Off-site location and existing unit preliminary proposal is submitted through a pre-application request, The city will approve, approve wit conditions, or deny (receiving site)*
5. *Land us approval granted. Start TEC-DOC review process in the planning department (sending site)*
6. *Sending Site IH program finalized (sending site)*
7. *Final IH and rehabilitation proposal submitted and approved. Interim covenant executed. Housing construction inspection funds remitted to the city (receiving site).*
8. *Documents and guarantees are executed; may submit for a building permit (sending site)*

9. *Housing inspections (receiving site)*
10. *Letter of completion and Final Covenants no later than one year after the Sending Site receives any temporary or final CO. (receiving site)*

Additional Info:

The IH requirement is based on a proportional determination of unit type, number of bedrooms and unit size to what is provide[d] in the market rate units on the sending site. For example. If the sending site units are half one bedroom and half two bedroom, the affordable units should reflect that mix.

Their ordinance also specifies the number of bathrooms and the minimum square footage of each affordable unit.

Price of affordable for-sale and rental units:

- *For-sale developments: The initial sales price for single-family homes and townhomes will be affordable to a household earning 120% AMI. The initial sales price for all other types of housing will be affordable to a household earning 100% AMI*
- *Rental developments: 80% of the rents will be affordable to a household earning no more than 60% of the AMI and 20% of the rents will be affordable to a household earning no more than 50% of the AMI*

Affordable prices are adjusted quarterly, and rents are set annually.

In-lieu payment:

A fee paid by the developer instead of providing affordable or diverse housing units. This fee typically goes into a local affordable housing fund where dollars are used to support the development of affordable/diverse housing or other local priorities. **Two-thirds of jurisdictions** identified with inclusionary housing policies have fee-in-lieu programs.

Urban Institute Study on In-Lieu Fees by Aaron Shroyer:

Advantages:

- Flexible funding source
- Provide leverage for other funding sources
- Streamlined development process
- Promotes discussion of local affordable housing policies
- Create mechanism to fund housing units that inclusionary policies do not produce (e.g., units for households with extremely low incomes and family –sized units) or fund other local housing priorities
- Make a development process more predictable
- Provide important source of funding for nonprofit developers

Disadvantages:

- May undermine inclusionary zoning policy if the primary goal is to create mixed-income developments
- Fewer on-site units and less mixed-income development
- Units created from in-lieu fees might be of lower quality or built in lower-cost neighborhoods, which could reinforce historic patterns of segregation
- Increased staff time

Calculating In-lieu Fees:

Three main methods are used to calculate in-lieu fees: the affordability gap method, the production cost method, and indexed fees based on project characteristics.

Affordability Gap Method:

The in-lieu fee is the difference between the fair market price and what a low-or-moderate-income household can afford. The gap is calculated per unit. This method relies on the availability of local data and represents the market-rate developer's perspective.

Formula: In-lieu fee (total) = (market rent per unit – affordable rent per unit) x number of affordable units

Production Cost Method:

The in-lieu fee is the difference between the cost of developing a comparable affordable unit and the income generated by an affordable unit. This method requires surveys of recent affordable housing projects with similar characteristics and represents the nonprofit developer's perspective. As a result, communities with a robust nonprofit development community benefit the most from this method.

Formula: In-Lieu Fee (per unit) = cost to develop a comparable affordable unit – present value of income from the affordable unit

Formula: total in-lieu fee = in lieu fee per unit x number of affordable units required

Indexed Fees Based on Project Characteristics:

The in-lieu fee is a product of a square foot charge and the gross floor area. This method uses a per project calculation

Formula: In-lieu fee = per square foot rate x gross floor area of the project

Case Study: Chapel Hill, North Carolina:

- **Fee use**: constructing or rehabilitating housing units; assisting residents with rent, mortgage, or utility payments; and providing local matches to federal affordable housing grant approved by the Town Council.
- **Management of Fee:** Various staff in the city's Affordable Housing Department manage this fund. Their Affordable Housing Manager is the primary supervisor of the fund.
- **Fee Calculation:** Each year, "*agencies actively involved in producing affordable housing will be asked to provide the Town Council with a list of new affordable dwelling units from the past fiscal year and to specify for each unit the dollar amount of subsidy needed to make each unit affordable. The per unit average of the subsidies will be calculated, and this average will be multiplied by the average percent increase in the cost of new homes constructed in the Town for that fiscal year. The result will be the payment-in-lieu amount for the next year."* The amount is updated annually.
- **Fee:** $85,000 per unit (as of 2011; The city is currently in the process of updating this fee.)
- **Notes:** East Lansing planning staff spoke with Chapel Hill staff on August 11. City staff at Chapel Hill, NC expressed concerns about the viability of a payment in-lieu fee. They are in the process of trying to find more ways to incentivize affordable housing. One way they are doing this is through an expedited permitting process. They are also in the process of updating their threshold that enforces the 15 and 10 percent affordable housing requirement from a minimum of 5 units to a minimum of 30 units. This means that a development that includes 30 units or more (rather than 5 units) will be enforced to supply 10 to 15 percent of their units as affordable. The city hopes this potential update will incentivize more small-scale development in the area. Chapel Hill staff also commented that many developers do not want to manage affordable units. To address this issue, the city developed a program that manages the affordable housing units for them through the Community Home Trust.

To Consider:

1. When setting the in-lieu fee, it is necessary to consider priorities of more affordable or mixed income developments. If the in-lieu fee is lower than construction costs, often times developers will opt to pay into the fee, lending to more affordable rather than mixed income housing. If the in-lieu is set to a relatively high fee, developers may be more incentivized to create mixed developments.

Land Dedication

Allows developers to donate land for affordable/diverse housing development to the city or to a nonprofit agency approved by the city. There is typically a process in place to ensure that the land donated is of equivalent value to the required housing units.

Advantages:

- Agencies may have more experience/capacity to focus on affordable housing
- Agencies may have access to grants or other funding mechanisms
- Developers can focus on their core business activities, which may not include affordable housing
- Can avoid or lessen complexities associated with zoning or regulatory approvals

Disadvantages:

- Intensive staff involvement
- May lack accountability to ensure affordable/diverse units are built
- May concentrate low-income residents

Case Study: Boulder, Colorado:

Land Dedication Review and Approval Process | City of Boulder

Process to propose land to satisfy Inclusionary Housing requirements:

1. *Meet with a housing planner to review options to satisfy IH and determine if a land dedication is the desired option*
2. *Submit a Pre-Application Review form to the Planning and Development Services Department*

If the site is determined to meet the above requirements the following steps must be completed:

1. *Satisfactory proof of title must be provided to the city manager within 30 days before the effective date of dedication to the city of an entity designated by the city for such dedication. The land must be free of all liens and encumbrances and*

all property taxes and special taxes must be current before the title for the dedicated land is conveyed. Dedicated land must be in the form of a fee simple parcel that will be fully owned by the city or its designee.

2. *Provide a clean phase 1 Environmental Assessment to demonstrate that the land is acceptable for residential development. Other studies of assessments may be required to make this determination*
3. *The value of the land to be dedicated will be determined, at the cost of the developer, by an independent appraiser to be selected from a list of Colorado Certified General Appraisers provided by the city, or by such alternative means of valuation to which a developer and the city may agree*
4. *If the appraised value of the land does not equal the full amount of the cash-in-lieu owed, the applicant shall contribute cash-in-lieu to make up any gap between the value of the donated land and the total cash-in-lieu contribution amount.*
5. *Dedicated land plus any cash-in-lieu contributed must be of equivalent or greater value to the total cash-in-lieu contribution amount*
6. *Open Space Requirement: If land proposed to be dedicated under this subparagraph is part of the same site review as the market rate units that create the inclusionary housing requirement the open space requirements for any permanently affordable units constructed on the land proposed to be dedicated shall be met entirely on the land proposed to be dedicated ad the open space requirements for the market rate units shall be met entirely within the market rate unit development*
7. *A signed warranty deed granting land to the city or its designee will be executed prior to application for any residential building permit by the sending site.*

Dedication of existing units:

Allows existing dwelling units to be restricted and transformed into suitable affordable housing dwelling units.

Advantages:

- Can bring affordable units online much faster than new construction
- Can be more cost-effective than new construction, and utilize existing infrastructure
- Repurposing existing buildings is more environmentally sustainable, reducing new material use and construction waste
- May be able to preserve the architectural or historic character of existing structures or neighborhoods

Disadvantages:

- May require significant renovations to meet modern life safety or accessibility standards
- May lead to displacement or concentrate low-income people in certain areas
- Developers may need financial incentives or subsidies to make dedications economically viable

Case Study: Chapel Hill, North Carolina

Chapel Hill IZ/inclusionary zoning ordinance 11-9-07 (69586).DOC

Chapel Hill allows the restriction of existing dwelling units to be affordable housing dwelling units through covenants, contractual arrangements, or resale restrictions. The restriction of the units must result in the creation of units that are of equivalent value, quality, and size of the permanently Affordable Dwelling Units which would have been constructed on-site if this alternative had not been utilized. If a proposed development consists of ownership units, the units created utilizing this alternative shall also be ownership units.

City	Resources
East Lansing, MI	https://library.municode.com/mi/east_lansing/codes/code_of_ordinances?nodeId=PTIICOOR_CH50ZO_ARTIIADEN_DIV3SPUSPE_S50-94STRE https://www.cityofeastlansing.com/2456/Current-CDBG-Programs
Chapel Hill, NC	Read Our Plan — Chapel Hill Affordable Housing Chapel Hill IZ/inclusionary zoning ordinance 11-9-07 (69586).DOC 2024 Town Bond Referendum | Town of Chapel Hill, NC Microsoft Word - Affordable Housing Funding Allocation Strategy - Jul 2025 https://www.townofchapelhill.org/home/showpublisheddocument/56378/638620866873900000 635485371912800000
Boulder, CO	(Chapter 13 - Inclusionary Housing | Municipal Code | Boulder, CO | Municode Library) Affordable Housing Investments | City of Boulder Affordable Housing in the City of Boulder Data Dashboard | City of Boulder
Pittsburgh, PA (Lawrenceville IZ Overlay)	Amending the Pittsburgh Code, Title Nine, Zoning, Chapters 903, 904, 905 and 922 to amend several components of the Site Plan Review process including new thresholds for review, new standards based on districts and clarifying the type of documentation re https://www.pittsburghpa.gov/files/assets/city/v/1/controller/special-report-inclusionary-zoning.pdf https://www.pittsburghpa.gov/City-Government/Boards-Authorities-Commissions/List-of-Boards-Authorities-Commissions/Urban-Redevelopment-Authority https://www.ura.org/pages/pittsburgh-downtown-conversion-program

Burlington, VT	E:\Files\IZ\USprofiles\Burlington\Burlington 16Oct09 num.PDF https://www.burlingtonvt.gov/DocumentCenter/View/6849/BTVstat-Housing-Report---June-2024 https://data.burlingtonvt.gov/pages/housing https://www.burlingtonvt.gov/DocumentCenter/View/2492/Inclusionary-and-Replacement-Housing-PDFhttps://www.burlingtonvt.gov/861/Fiscal-Year-2025-Housing-Trust-Fund https://burlingtonhousing.org/about
Portland, ME	edb664de-f27e-493e-8c7e-19d25faf3d27 https://content.civicplus.com/api/assets/3ab77e5b-466e-4378-8658-19da6ca5633b https://www.mainehousing.org/docs/default-source/policy-research/research-reports/outlook-reports/2025-housing-outlook-report.pdf https://www.portlandmaine.gov/1441/Housing-Trust-Fund https://www.portlandmaine.gov/348/Workforce-Housing-Units
Ann Arbor, MI	udc-edition-10a-effective-2-6-25.pdf https://www.a2gov.org/media/n2fhua01/washtenaw-county-housing-affordability-and-equity-findings-and-recommendations.pdf https://washtenaw.maps.arcgis.com/apps/dashboards/bf43a42c68ec45539908236f6c63e35b https://www.a2gov.org/housing-commission/housing-programs/homeownership/
Columbus, OH	https://www.columbus.gov/Services/Housing-Assistance-Programs/Housing-Programs/RHPP https://www.columbus.gov/Services/Housing-Assistance-Programs/Housing-Programs/HOMEOWNERSHIP-DEVELOPMENT-PROGRAM https://www.columbus.gov/Government/City-Council/News-Releases-Information/Programs-Initiatives/Housing-Initiatives Chapter 4565 - AFFORDABLE HOUSING AND COMMUNITY REINVESTMENT AREA INCENTIVE POLICY | Code of Ordinances | Columbus, OH | Municode Library
State College, PA	Borough of State College, PA Inclusionary Housing Housing | Centre County, PA - Official Website

	https://www.centredaily.com/news/local/community/state-college/article66137087.html
Definitions	Density bonuses - Local Housing Solutions https://lims.minneapolismn.gov/download/Agenda/856/Built%20Form.pdf/46372/1789/Built%20Form%20Regulations Density or Floor Area Ratio (FAR) Bonuses Floor Area Ratio Handout.pdf Urban Minimum Lot Sizes: Their Background, Effects, and Avenues to Reform | Mercatus Center Floor to Lot Area Ratio (FAR) Minimum Lot Size Model Legislation - Metropolitan Abundance Project Fee Waivers - Inclusionary Housing udc-edition-10a-effective-2-6-25.pdf Revitalizing Pittsburgh: Downtown LERTA Program Passes in Landmark Col What Is Area Median Income (AMI)? | HUD Loans
Alternatives	Determining In-Lieu Fees in Inclusionary Zoning Policies Inclusionary Housing Off-site Requirements and Timelines | City of Boulder Land Dedication Review and Approval Process | City of Boulder Land Dedication - Inclusionary Housing Chapel Hill IZ/inclusionary zoning ordinance 11-9-07 (69586).DOC

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Cassius E. Street, Jr., Retired
Jonathan E. Maire, Retired

June 14, 2025
Sent via email rbelleman@cityofeastlansing.com
And Hand Delivered

Robert V. Belleman
City Manager
410 Abbot Road
East Lansing, MI 48823

RE: Ordinance 1384 Proposed Amendment

Dear Mr. Belleman:

I represent Gregory Ballein. As you know, we have been working on a proposed amendment to Ordinance 1384 to include the option of a fee in lieu fund. We believe this amendment will help support the City's economic vitality and provide opportunities that will alleviate the City's current financial crisis. Please find Ordinance 1384 attached with the proposed amendment in red starting on page 5.

I will be attending the City Council meeting today to request at Public Comment that the City Council put this ordinance amendment on the Agenda for the July 15 meeting, whereat I will request immediate referral of this proposed ordinance amendment to the planning commission for review.

Very truly yours,

GRUA, FREEMAN, TUPPER & YOUNG, PLC

Carrie S. Ihrig Freeman

Carrie S. Ihrig Freeman

CSIF
Enclosures

Introduced: 08-16- 2016
Public Hearing: 11-09- 2016
Adopted: 11-09- 2016
Effective: 11-30-2016

ORDINANCE NO. 1384

AN ORDINANCE TO AMEND SECTION 50-94 OF CHAPTER 50 – ZONING - OF THE CODE OF THE CITY OF EAST LANSING TO ESTABLISH SPECIAL USE STANDARDS FOR MULTIPLE FAMILY DWELLINGS IN A PORTION OF THE DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT.

THE CITY OF EAST LANSING ORDAINS:

Sections 50-94 of Chapter 50 of the Code of the City of East Lansing is hereby amended to read as follows:

Sec. 50-94. - Standards for review.

(a) *All uses.* Except as may be provided elsewhere in this section or chapter, each special use permit application shall meet each of the following standards:

(1) The proposed use shall be consistent with the purpose of the use district in which it is located and the purpose and provisions of this division.

(2) The site plan for the property shall be approved in accordance with the provisions of section 50-36 of this chapter.

(3) The proposed size, height, architectural character and placement of new or expanded structures on the site shall be reasonably compatible with the existing or anticipated buildings on adjacent properties.

(4) Streets and access facilities serving the site shall be able to safely accommodate the expected traffic generated by the proposed use; the use shall not cause excessive traffic congestion or delays, obstruct access to adjacent properties, or imperil the safety of motorists, pedestrians or bicyclists.

(5) The proposed use shall not adversely affect the use and enjoyment of adjacent properties by generating excessive noise, vibration, light, glare, odors or any other form of pollution or nuisances.

(6) The proposed use shall not materially diminish the economic value of adjacent properties or the city as a whole.

(7) The proposed use shall not materially diminish the privacy, safety, security or enjoyment of any residential dwelling or residential neighborhood within the vicinity of the site.

(8) The proposed use shall be located with direct access to and frontage on a major street as designated in the major street plan, or within an area designated for adaptive reuse in the city center element of the comprehensive plan.

(b) *Specific uses.* In addition to the standards above, to address their unique characteristics, certain uses shall also meet the applicable standards below.

(1) *Churches.*

a. Standards set forth in items (3) and (8) of subsection (a) above do not apply to churches.

b. The minimum yard requirements of the use district in which the church is to be located shall apply except that in no event shall the yard requirement be less than 0.5 feet of yard to each foot of building height (excluding steeples) as applied to rear yard or side yard depth.

(2) *Businesses selling alcoholic beverages.* The following additional standards shall apply to restaurants and businesses licensed or to be licensed for the sale of alcoholic beverages or alcoholic liquor for consumption on or off the premises.

a. The establishment shall not be located in such proximity to churches, elementary, or secondary schools, child development centers, or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

b. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that liquor establishments and trade become a dominant influence or feature of the district or neighborhood.

c. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the

premises. The requirements of this section shall be a written condition of each special use permit issued to a restaurant.

d. Restaurants selling alcoholic beverages shall provide to the city manager reports and business records, in the form and manner required by an administrative order to be published by the city manager and approved by the city council, to permit the city to review and determine continued compliance with the requirement and performance standards of the definition of "restaurant" in section 50-8 and chapter 18 of the City Charter.

1. The requirements and performance standards of the definition of "restaurant" in section 50-8 and the reporting requirements of this subsection shall be a written condition of all special use permits issued to restaurants licensed to sell alcoholic beverages, provided however, that in the case of establishments which do not comply with the performance standards of subsection (4) of the definition of "restaurant" in section 50-8 at the time such establishment first becomes subject to the requirement of a special use permit, the special use permit issued for such establishment shall include a condition that the establishment demonstrate on an annual basis progress toward meeting such performance standards. Progress shall be measured by examining the ratio of alcoholic beverage sales to food sales during the most recent completed calendar year as compared to the ratio for the preceding year.

2. Proprietary information. Trade secrets or commercial or financial information received by the city manager pursuant to this section shall be exempt from disclosure to the public as a public record and shall not be published pursuant to the provisions of MCL 15.243 if the proprietor requests that the records be confidential, except that such records shall be admissible before all courts and administrative tribunals in proceedings brought for the purpose of enforcing this chapter.

(3) *Fraternities and sororities.*

a. The standard set forth in item (8) of subsection (a) above does not apply to fraternities and sororities.

b. In addition to the parking requirements for such uses specified in section 50-812, fraternities and sororities shall provide and maintain a parking access and management arrangement sufficient to serve the parking and access demands associated with chapter meetings, formal and informal social activities, or other on-site events which include the attendance of persons other than those who reside on the property. Such parking and

access arrangements may include, but are not limited to, the provision of additional on-site parking, the use of private off-premises parking, the use of public parking in municipal lots or on-street spaces, and the availability of bus or shuttle service or carpooling arrangements.

(4) *Multiple-family dwellings in business districts.* Where multiple-family dwelling units are provided in conjunction with business uses on a property in a business district, the following additional standards shall apply.

a. Except where multiple-family dwelling units may be permitted as the sole principal use of a building to provide unique housing opportunities which are not otherwise available in the city center, at a minimum, the first floor of any building shall primarily be used for principal permitted business uses, and the number of multiple-family dwelling units and the permitted occupancy of the units shall be limited to maintain a reasonable balance between the business and residential uses on the property consistent with the purpose of each business district. The provision of first floor retail may be waived by majority vote of the City Council in those areas of the B-3 District outside of the area identified in Section 50-593(f) of this Chapter where warranted by the existing retail opportunities adjacent to the project.

b. The number of multiple-family dwelling units, the permitted occupancy of the units and the height and size of structures containing such units shall be limited to be compatible with adjacent development patterns and any nearby residential districts.

c. Reasonable amounts of yard areas and open space shall be provided where necessary to be consistent with surrounding use and development patterns and to provide for the privacy and enjoyment of the residents.

d. The design, type and operational characteristics of the business and residential uses on the property shall be compatible with one another.

e. The residential units shall be designed and marketed to diversify housing opportunities in the neighborhood and shall not increase existing high concentrations of similar housing units in the neighborhood. Further, in the area west of Collingwood Drive within the district boundaries of the City of East Lansing Downtown Development Authority, in order to achieve diversity in the types of housing offered in the area including an appropriate balance of owner occupied housing, senior housing, low to moderate income housing, mixed-market rental housing and other types of diverse housing in the area, for all development plans that contain housing, an appropriate number of the dwelling units shall be marketed and/or sold as owner occupied housing or housing offered to and restricted to residents 55 and older, restricted to low to moderate income

housing or restricted to some other occupancy that would add diversity to the area so that at least 25% of the housing is owner occupied, restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area, or in the alternative, a developer may pay a one-time fee to the **City of East Lansing's Affordable and Diverse Housing Initiative Fund** in accordance with paragraph (e)(1) below, or a developer may build the equivalent of the 25 percent of the dwelling units required for a project elsewhere within the city limits. Developers may opt to include some amount of the required dwelling units in a development project and build the remaining number of required dwelling units elsewhere in the city. For purposes of this section, "development" shall include more than one structure as long as multiple structures are part of the same site plan approval. The requirement of this section shall not apply to Hotels. For any development that is constructed and occupied in excess of the 25% requirement of this section, the developer shall be given one credit for each residential unit in excess of the 25%. The credits, or any portion thereof, may be used by the developer, or the developer's assignee, as a credit, on a one for one basis, to meet the 25% requirement for future development projects in this area. The number of credits obtained for any development shall be calculated by the zoning official and maintained in the city records. Any assignment of credits must be in writing and signed by the developer. The intent to use credits of this nature, the number of credits intended to be used, the location of the development which created the credits, and any documentation showing any assignment of the credits shall be submitted with the site plan or amended site plan.

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(1) **Affordable and Diverse Housing Initiative Fund.** For any multiple-family dwelling unit development to which (4)(e) above applies, the developer may make a one-time payment to the City of East Lansing's Affordable and Diverse Housing Initiative Fund in lieu of compliance with the 25 percent requirement of section (4)(e) above. The one-time fee-in-lieu payment shall be computed starting with a base amount of $5,000.00 per dwelling unit, increased annually by the product of the base amount multiplied by the percentage increase in the Consumer Price Index (CPI), as calculated every August 1 with the first multiplier being the change in the CPI from August 1, 2026 to August 1, 2027. This calculation will constitute the new base amount for the succeeding year and will be adjusted annually based on the change in the CPI thereafter. Developers may opt to include some amount of the required dwelling units in a development project and provide fee-in-lieu for the remaining number of required dwelling units.

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(5) *Additional building height.*

a. Where a special use permit is required to permit building height above the base level permitted in any use district, the compatibility of the building shall be determined in part by the extent to which the use of the building and the building design, its setbacks and its orientation on the site successfully mitigate negative impacts upon neighboring uses, the natural

features of the site and public facilities and services. Such buildings may be approved only if they comply with subsection (a) of this section and all of the following additional standards:

1. The building shall not be located in such proximity to a single-family or two-family neighborhood so as to cause excessive noise or shadowing impacts, or substantial reductions in personal privacy or property values. The planning and zoning administrator may require the applicant to submit a solar angle diagram and shadow analysis prepared by a registered architect or engineer showing the extent of shadowing caused by the proposed building on adjacent properties and structures.

2. The portion of the building extending above the base level permitted in each use district shall be located no closer to the property line of a residentially zoned property than a distance equal to the amount of the height in excess of the base level.

3. The building shall not result in traffic generation which exceeds the carrying capacity of adjacent streets, exceeds the parking capacity of on-site spaces or nearby municipal parking facilities, causes excessive congestion or risks to public safety, or causes or substantially contributes to excessive volumes of traffic through residential neighborhoods.

4. The building shall not generate demands which exceed the capacity of public utilities and services necessary to serve the site.

b. In addition, the city council may further increase the maximum permitted building height to the extent and for that area in the B-3 district as specified in subsection 50-593 (f) for a building deemed to be of significant public benefit. The city council shall find, upon an affirmative vote of three-fourths of all members of the city council, that such buildings meet subsections (5)a.1. through 4., of this subsection and all of the following standards:

1. The building, through its proposed use, shall contribute substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives, as specified in the comprehensive plan or other strategic plan of the city, to benefit the business district, the adjacent residential or public areas, and the city as a whole.

2. The applicant demonstrates that additional building height is necessary in order to make the proposed development economically feasible for the intended use and no reasonable alternative to additional height exists.

3. The additional building height will cause no significant additional negative impact on adjacent properties, public streets and parking facilities, or public utility and services.

(6) *Dispensaries and primary caregiver operations.* The following additional standards shall apply to dispensaries and primary caregiver operations:

a. They shall comply at all times and in all circumstances with the Medical Marihuana Act and the General Rules of the Michigan Department of Community Health and/or the Department of Licensing and Regulatory Affairs.

b. They must be located outside of a 1,000-foot radius from any school, including any licensed facility with after school programs, child care centers, or daycare centers, to insure community compliance with federal "Drug-Free School Zones" requirements.

c. No more than five primary caregivers may operate from a dispensary.

d. All medical marihuana shall be contained within an enclosed, locked facility, inaccessible on all sides and equipped with locks that permit access only by the registered caregivers, as reviewed and approved by the building official and the police department.

e. All necessary building, electrical, plumbing and mechanical permits shall be obtained for any portion of the structure which contains electrical wiring, lighting and/or watering devices that support the cultivation, growing or harvesting of marihuana.

f. Any portion of the structure where energy usage and heat exceeds typical residential use, such as a grow room, and the storage of any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the fire department to insure compliance with the Michigan Fire Protection Code.

g. They shall not be operated from a business which sells alcoholic beverages.

h. The establishment shall not be located in such proximity to churches or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

i. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that dispensaries and medical marihuana paraphernalia trade become a dominant influence or feature of the district or neighborhood and no caregiver operation or dispensary shall be located within 500 feet of another caregiver operation or dispensary.

j. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the premises. The requirements of this section shall be a written condition of each special use permit issued to a dispensary or caregiver operation.

k. No drive-through facilities shall be permitted.

l. They may not be operated out of a residence or residential structure.

m. All transfers and deliveries of medical marihuana to qualifying patients must occur within the structure out of public view or inside the patient's residence.

n. The consumption of medical marihuana on the premises is prohibited.

(7) *Household pet daycares*. The following additional standards shall apply to household pet daycares:

a. Household pet daycare shall be located within a fully enclosed accessory structure meeting the requirements of the zoning code. Such accessory structure shall be located in the rear yard no closer than one hundred feet from any adjoining dwelling and no closer than twenty-five feet from the dwelling of the owner thereof.

b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of sufficient size to accommodate the animals, and shall be designed so as to prevent rats, mice, or other rodents from being harbored underneath, inside, or inside the walls of the enclosure.

c. Outdoor activities must be supervised and restricted to the hours between 9:00 am and 5:00 pm; and fully contained within a six (6) foot high solid fenced area in the rear yard. The required fenced area shall be a minimum of fifteen (15) feet from the property line. A fence located on a property line shall not satisfy the requirement for a fenced area.

d. Hours of operation shall be 12 hours or less and be restricted to the hours between 6 am and 7 pm. Animals shall be kept within the accessory structure or within a fenced area at all times unless leashed, and shall not be permitted to run at large.

e. All structures for the keeping of such animals shall be constructed of material that can be easily cleaned and shall be kept in a clean and sanitary condition. The required fenced area must be cleaned daily and kept free from trash and accumulated droppings. Appropriate disposal of droppings is required. All provisions of the City Code relating to noise, odor, and sanitation, including the provisions of this article, shall apply to the keeping of animals under this section.

(8) *Reduced building height.* Where a special use permit is required to permit building height below the level permitted in any use district, such buildings may

be approved only if they comply with subsection (a) of this section and one of the following additional standards.

a. The proposed building is of a particular architectural style that has significant importance to the proposed use of the building or is deemed an architecturally significant addition to the overall attractiveness of the district and the applicant has demonstrated that there is no reasonable alternative to the height sought in achieving such attractive construction..

b. The proposed use contributes substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives as specified in the comprehensive plan or other strategic plan of the City, to benefit the business district, the adjacent residential or public areas or the City as a whole.

By_____ By_____

Mark S. Meadows, Mayor Marie E. Wicks, City Clerk

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Cassius E. Street, Jr., Retired

July 22, 2025

Sent Via Email only to lbartley@cityofeastlansing.com, rbelleman@cityofeastlansing.com, airwin@cityofeastlansing.com

Planning Commission
C/O: Landon Bartley
Robert Bellman
Annette Irwin

Re: Memorandum for the Planning Commission Related to Revisions to Ordinance 1384 the Re-Development of SBS Bookstore

Dear Planning Commission:

At your last meeting on July 15, 2025, you requested information regarding other communities who have implemented the Fee-in-Lieu option in their ordinances. Please find attached our research in regards thereto for your review. It is my hope that this can be further discussed at your meeting on July 23, 2025. Thank you in advance for your prompt attention to this matter. As you know, my client needs to determine whether the redevelopment of SBS Bookstore will be possible by about Labor Day this year. Anything you can do to help move the review of this project along is greatly appreciated. I am really hoping our community will be able to benefit from this incredible opportunity. I will be present at the Planning Commission meeting on the 23rd to answer any additional questions.

Very truly yours,

GRUA, FREEMAN, TUPPER & YOUNG, PLC

Carrie S. Ihrig Freeman

Carrie S. Ihrig Freeman

MEMORANDUM

To: Planning Commission
From:Carrie S. Ihrig Freeman
Date: July 22, 2025
Re: Ordinance 1384 and SBS Redevelopment

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1. Examples of Fee-in-Lieu in other communities:
   - **Ann Arbor**
     i. https://www.a2gov.org/media/qqgdnjux/premium-evaluation-2023-07-11-report-interviews-and-options.pdf
     ii. https://hdp-us-prod-app-aagov-engage-files.s3.us-west-2.amazonaws.com/4217/5010/3301/Housing_Appendix_Outline_v5_-_CPC_Feedback_6.10.25.pdf#:~:text=The%20city%20has%20also%20found,Since%202021%2C%201%2C054%20income%2D
     iii. https://www.michigandaily.com/news/ann-arbor/city-of-ann-arbor-makes-changes-to-downtown-zoning-eliminates-some-affordable-housing-incentives/#:~:text=%E2%80%9CBased%20on%20our%20research%2C%20we,since%20the%20changes%20in%202019.%E2%80%9D
     iv. https://www.a2gov.org/housing-commission/affordable-housing-millage/#:~:text=TAX%20FOR%20THE%20CONSTRUCTION%2C%20ACQUISITION,precinct%20voting%20in%20favor.%E2%80%8B
     v. Relevant quotes/data from Ann Arbor:
        - "The development community stressed that it is very difficult from a financing and management perspective to mix market rate and affordable units. Developments that include a mix of market rate and affordable units are not eligible for common funding mechanisms for affordable housing development such as MSHDA funding and are much more difficult to obtain private funding."
        - "Doing nothing is not an option. When cities decline to reform overly restrictive zoning codes, or when they add new restrictions, supply declines and housing becomes even less affordable."
        - "Increasing housing supply helps. Increasing density is one way to increase supply. When more housing options are available, rents and housing prices stabilize. Even when new units are built at higher prices, they eventually age into affordability over time."
   - **Madison, WI**
     i. https://www.cityofmadison.com/news/2024-11-27/hundreds-of-

new-affordable-units-get-funding-from-city-of-madison

ii. Relevant quotes/data from Madison:
- "In Madison, Wisconsin, a "fee in lieu" of affordable housing means developers can pay a fee to the city instead of building a certain percentage of affordable units in their developments. This fee contributes to the City of Madison's Affordable Housing Fund, which is used to support other affordable housing projects according to the City of Madison. The city uses this fund to provide loans and other financial assistance to developers who create affordable housing units."
- "Hundreds of proposed new income- and rent-restricted apartments will receive financial support from the City of Madison's Community Development Division… The Community Development Division had approximately $10 million available from the Affordable Housing Fund, which is part of the City's Capital Budget, to support development proposals this year. The City's primary goal is to add at least 250 units to the supply of affordable rental housing in Madison through this process – a goal that was again exceeded this year."

- **Columbus, OH**
  i. https://www.axios.com/local/columbus/2022/07/27/affordable-housing-tax-credit-policy-renewed
  ii. Relevant quotes/data from Columbus:
  - "In Columbus, Ohio, developers can sometimes fulfill their affordable housing obligations by paying a "fee in lieu" rather than providing the required number of affordable units. This fee allows them to contribute financially to the city's affordable housing initiatives, instead of directly creating affordable housing units within their development. The fee amount is typically determined based on the number of affordable units the developer is obligated to provide, and the specific terms can be found in the city's Community Reinvestment Area (CRA) program and related ordinances."
  - "Columbus incentivizes the creation of affordable housing through tax abatements, where developers receive property tax reductions for a set period (e.g., 15 years) if they meet certain affordable housing benchmarks."

2. City of East Lansing Comprehensive Plan Addendum "IN FOCUS" https://www.cityofeastlansing.com/DocumentCenter/View/16284/EL-Comp-Plan-Update-Final-Review-Draft-PDF
   - "IN FOCUS" took feedback, surveys and communications from City of East Lansing citizens. Results:

i. Report Takeaway #1: *Changing Trends & Economic Conditions*.
   - Report: "Ensuring economic resilience by providing a buffer from economic downturns or demographic changes"
   - Proposed Development: Sadly, the textbook industry has changed and we hope to responsibly transition. Meanwhile, COEL is facing a structural deficit of more than $3M next fiscal year with proposed cuts of services. The proposed development adds approximately $680K to the general fund, annually, as well as a $2M contribution. It also monetizes underutilized parking. In total, the Student Book Store can meaningfully help COEL financially.

ii. Report Takeaway #2: *Parks and Recreation*.
   - Report: "This plan is intended to forecast the future need for parks and recreation in the City in order to ensure residents have access to open space and recreational opportunities"
   - Proposed Development: As a measure of financial austerity, proposed cuts include cutting the general fund's entire $2.6M contribution to the Parks and Recreation fund. City officials hope residents will agree to pick up the tab to pay for parks through a property tax millage. The subject development could pay for this through its $2M contribution.

iii. Report Takeaway #3: *Housing Density*.
   - Report: "Residents desire greater housing densities in the downtown core…prioritize redevelopment along existing transit corridors"
   - Proposed Development: The subject development will add density in the desired downtown core, along the CATA line.

iv. Report Takeaway #4: *Responsible Land Use*.
   - Report: "Recognizing that land use is influenced by increasingly complex and rapidly changing factors, this plan emphasizes the need for ongoing, flexible evaluation and responsive planning"
   - Proposed Development: The subject development best utilizes urban land to create needed housing supply and improve city economic conditions.

3. Missed Revenue Opportunities, as a result of inadequate policy deterring development in East Lansing
   - Red Cedar Development – Lansing
     i. $242M economic development in Lansing
     ii. https://www.lansingstatejournal.com/story/news/2018/02/23/developers-red-cedar-project-lansing-city-council-renaissance-joel-ferguson-frank-kass-schor/359136002/

iii. Total Annual RE Taxes: $4,672,757.18, per year. Had that been in East Lansing, resulting East Lansing authorities would have received:
    - City General Fund: $1,028,007, annually
    - City Solid Wate and Recycling: $140,183, annually
    - East Lansing Public Library: $186,910, annually
    - East Lansing Public Schools: $607,458, annually
iv. Two (2) new hotels, conventional apartments, student apartments, senior housing…all in Lansing.

4. Spartan Gateway District – more missed economic activity to support downtown East Lansing
    - https://www.lansingstatejournal.com/picture-gallery/news/local/2025/04/07/images-msu-plans-new-olympic-sports-arena-hotel-restaurants/82974387007/
    - Economic development, including hotel, retail and housing, build on MSU land generating zero real estate taxes back to City of East Lansing
    - Retail that takes away from the downtown retail and small businesses of downtown East Lansing
5. Michigan State growth rate
    - "Michigan State University's enrollment has seen a growth of about 1.5% over the last decade."
    - That is approximately 780 additional students, per year.
    - Where do they live? Without added supply, what is to stop housing inflation?
    - Does Lansing and Meridian Township continue to benefit from taking economic development from East Lansing?

Introduced: 08-16- 2016
Public Hearing: 11-09- 2016
Adopted: 11-09- 2016
Effective: 11-30-2016

ORDINANCE NO. 1384

AN ORDINANCE TO AMEND SECTION 50-94 OF CHAPTER 50 – ZONING - OF THE CODE OF THE CITY OF EAST LANSING TO ESTABLISH SPECIAL USE STANDARDS FOR MULTIPLE FAMILY DWELLINGS IN A PORTION OF THE DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT.

THE CITY OF EAST LANSING ORDAINS:

Sections 50-94 of Chapter 50 of the Code of the City of East Lansing is hereby amended to read as follows:

Sec. 50-94. - Standards for review.

(a) *All uses.* Except as may be provided elsewhere in this section or chapter, each special use permit application shall meet each of the following standards:

(1) The proposed use shall be consistent with the purpose of the use district in which it is located and the purpose and provisions of this division.

(2) The site plan for the property shall be approved in accordance with the provisions of section 50-36 of this chapter.

(3) The proposed size, height, architectural character and placement of new or expanded structures on the site shall be reasonably compatible with the existing or anticipated buildings on adjacent properties.

(4) Streets and access facilities serving the site shall be able to safely accommodate the expected traffic generated by the proposed use; the use shall not cause excessive traffic congestion or delays, obstruct access to adjacent properties, or imperil the safety of motorists, pedestrians or bicyclists.

(5) The proposed use shall not adversely affect the use and enjoyment of adjacent properties by generating excessive noise, vibration, light, glare, odors or any other form of pollution or nuisances.

(6) The proposed use shall not materially diminish the economic value of adjacent properties or the city as a whole.

(7) The proposed use shall not materially diminish the privacy, safety, security or enjoyment of any residential dwelling or residential neighborhood within the vicinity of the site.

(8) The proposed use shall be located with direct access to and frontage on a major street as designated in the major street plan, or within an area designated for adaptive reuse in the city center element of the comprehensive plan.

(b) *Specific uses.* In addition to the standards above, to address their unique characteristics, certain uses shall also meet the applicable standards below.

(1) *Churches.*

a. Standards set forth in items (3) and (8) of subsection (a) above do not apply to churches.

b. The minimum yard requirements of the use district in which the church is to be located shall apply except that in no event shall the yard requirement be less than 0.5 feet of yard to each foot of building height (excluding steeples) as applied to rear yard or side yard depth.

(2) *Businesses selling alcoholic beverages.* The following additional standards shall apply to restaurants and businesses licensed or to be licensed for the sale of alcoholic beverages or alcoholic liquor for consumption on or off the premises.

a. The establishment shall not be located in such proximity to churches, elementary, or secondary schools, child development centers, or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

b. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that liquor establishments and trade become a dominant influence or feature of the district or neighborhood.

c. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the

premises. The requirements of this section shall be a written condition of each special use permit issued to a restaurant.

d. Restaurants selling alcoholic beverages shall provide to the city manager reports and business records, in the form and manner required by an administrative order to be published by the city manager and approved by the city council, to permit the city to review and determine continued compliance with the requirement and performance standards of the definition of "restaurant" in section 50-8 and chapter 18 of the City Charter.

1. The requirements and performance standards of the definition of "restaurant" in section 50-8 and the reporting requirements of this subsection shall be a written condition of all special use permits issued to restaurants licensed to sell alcoholic beverages, provided however, that in the case of establishments which do not comply with the performance standards of subsection (4) of the definition of "restaurant" in section 50-8 at the time such establishment first becomes subject to the requirement of a special use permit, the special use permit issued for such establishment shall include a condition that the establishment demonstrate on an annual basis progress toward meeting such performance standards. Progress shall be measured by examining the ratio of alcoholic beverage sales to food sales during the most recent completed calendar year as compared to the ratio for the preceding year.

2. Proprietary information. Trade secrets or commercial or financial information received by the city manager pursuant to this section shall be exempt from disclosure to the public as a public record and shall not be published pursuant to the provisions of MCL 15.243 if the proprietor requests that the records be confidential, except that such records shall be admissible before all courts and administrative tribunals in proceedings brought for the purpose of enforcing this chapter.

(3) *Fraternities and sororities.*

a. The standard set forth in item (8) of subsection (a) above does not apply to fraternities and sororities.

b. In addition to the parking requirements for such uses specified in section 50-812, fraternities and sororities shall provide and maintain a parking access and management arrangement sufficient to serve the parking and access demands associated with chapter meetings, formal and informal social activities, or other on-site events which include the attendance of persons other than those who reside on the property. Such parking and

access arrangements may include, but are not limited to, the provision of additional on-site parking, the use of private off-premises parking, the use of public parking in municipal lots or on-street spaces, and the availability of bus or shuttle service or carpooling arrangements.

(4) *Multiple-family dwellings in business districts.* Where multiple-family dwelling units are provided in conjunction with business uses on a property in a business district, the following additional standards shall apply.

a. Except where multiple-family dwelling units may be permitted as the sole principal use of a building to provide unique housing opportunities which are not otherwise available in the city center, at a minimum, the first floor of any building shall primarily be used for principal permitted business uses, and the number of multiple-family dwelling units and the permitted occupancy of the units shall be limited to maintain a reasonable balance between the business and residential uses on the property consistent with the purpose of each business district. The provision of first floor retail may be waived by majority vote of the City Council in those areas of the B-3 District outside of the area identified in Section 50-593(f) of this Chapter where warranted by the existing retail opportunities adjacent to the project.

b. The number of multiple-family dwelling units, the permitted occupancy of the units and the height and size of structures containing such units shall be limited to be compatible with adjacent development patterns and any nearby residential districts.

c. Reasonable amounts of yard areas and open space shall be provided where necessary to be consistent with surrounding use and development patterns and to provide for the privacy and enjoyment of the residents.

d. The design, type and operational characteristics of the business and residential uses on the property shall be compatible with one another.

e. The residential units shall be designed and marketed to diversify housing opportunities in the neighborhood and shall not increase existing high concentrations of similar housing units in the neighborhood. Further, in the area west of Collingwood Drive within the district boundaries of the City of East Lansing Downtown Development Authority, in order to achieve diversity in the types of housing offered in the area including an appropriate balance of owner occupied housing, senior housing, low to moderate income housing, mixed-market rental housing and other types of diverse housing in the area, for all development plans that contain housing, an appropriate number of the dwelling units shall be marketed and/or sold as owner occupied housing or housing offered to and restricted to residents 55 and older, restricted to low to moderate income

housing or restricted to some other occupancy that would add diversity to the area so that at least 25% of the housing is owner occupied, restricted to residents 55 and older, restricted to low to moderate income housing or restricted to some other occupancy that would add diversity to the area. For purposes of this section, "development" shall include more than one structure as long as multiple structures are part of the same site plan approval. The requirement of this section shall not apply to Hotels. For any development that is constructed and occupied in excess of the 25% requirement of this section, the developer shall be given one credit for each residential unit in excess of the 25%. The credits, or any portion thereof, may be used by the developer, or the developer's assignee, as a credit, on a one for one basis, to meet the 25% requirement for future development projects in this area. The number of credits obtained for any development shall be calculated by the zoning official and maintained in the city records. Any assignment of credits must be in writing and signed by the developer. The intent to use credits of this nature, the number of credits intended to be used, the location of the development which created the credits, and any documentation showing any assignment of the credits shall be submitted with the site plan or amended site plan.

(5) *Additional building height.*

a. Where a special use permit is required to permit building height above the base level permitted in any use district, the compatibility of the building shall be determined in part by the extent to which the use of the building and the building design, its setbacks and its orientation on the site successfully mitigate negative impacts upon neighboring uses, the natural features of the site and public facilities and services. Such buildings may be approved only if they comply with subsection (a) of this section and all of the following additional standards:

1. The building shall not be located in such proximity to a single-family or two-family neighborhood so as to cause excessive noise or shadowing impacts, or substantial reductions in personal privacy or property values. The planning and zoning administrator may require the applicant to submit a solar angle diagram and shadow analysis prepared by a registered architect or engineer showing the extent of shadowing caused by the proposed building on adjacent properties and structures.

2. The portion of the building extending above the base level permitted in each use district shall be located no closer to the property line of a residentially zoned property than a distance equal to the amount of the height in excess of the base level.

3. The building shall not result in traffic generation which exceeds the carrying capacity of adjacent streets, exceeds the parking capacity of on-site spaces or nearby municipal parking facilities, causes excessive congestion or risks to public safety, or causes or substantially contributes to excessive volumes of traffic through residential neighborhoods.

4. The building shall not generate demands which exceed the capacity of public utilities and services necessary to serve the site.

b. In addition, the city council may further increase the maximum permitted building height to the extent and for that area in the B-3 district as specified in subsection 50-593 (f) for a building deemed to be of significant public benefit. The city council shall find, upon an affirmative vote of three-fourths of all members of the city council, that such buildings meet subsections (5)a.1. through 4., of this subsection and all of the following standards:

1. The building, through its proposed use, shall contribute substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives, as specified in the comprehensive plan or other strategic plan of the city, to benefit the business district, the adjacent residential or public areas, and the city as a whole.

2. The applicant demonstrates that additional building height is necessary in order to make the proposed development economically feasible for the intended use and no reasonable alternative to additional height exists.

3. The additional building height will cause no significant additional negative impact on adjacent properties, public streets and parking facilities, or public utility and services.

(6) *Dispensaries and primary caregiver operations.* The following additional standards shall apply to dispensaries and primary caregiver operations:

a. They shall comply at all times and in all circumstances with the Medical Marihuana Act and the General Rules of the Michigan Department of Community Health and/or the Department of Licensing and Regulatory Affairs.

b. They must be located outside of a 1,000-foot radius from any school, including any licensed facility with after school programs, child care centers, or daycare centers, to insure community compliance with federal "Drug-Free School Zones" requirements.

c. No more than five primary caregivers may operate from a dispensary.

d. All medical marihuana shall be contained within an enclosed, locked facility, inaccessible on all sides and equipped with locks that permit access only by the registered caregivers, as reviewed and approved by the building official and the police department.

e. All necessary building, electrical, plumbing and mechanical permits shall be obtained for any portion of the structure which contains electrical wiring, lighting and/or watering devices that support the cultivation, growing or harvesting of marihuana.

f. Any portion of the structure where energy usage and heat exceeds typical residential use, such as a grow room, and the storage of any chemicals such as herbicides, pesticides, and fertilizers shall be subject to inspection and approval by the fire department to insure compliance with the Michigan Fire Protection Code.

g. They shall not be operated from a business which sells alcoholic beverages.

h. The establishment shall not be located in such proximity to churches or community centers so as to annoy, injure, offend, disrupt, disturb, or interfere with the activities conducted thereon or the persons conducting, attending, or traveling to or from such premises.

i. The establishment shall not cause or continue an undue concentration of similar uses in the neighborhood such that dispensaries and medical marihuana paraphernalia trade become a dominant influence or feature of the district or neighborhood and no caregiver operation or dispensary shall be located within 500 feet of another caregiver operation or dispensary.

j. The establishment shall be designed, operated, and maintained at all times consistent with responsible business practices and so that no excessive demands shall be placed upon public safety services, nor any excessive risk of harm to the public health, safety, or sanitation, interference with vehicular or pedestrian traffic or parking, or the continuance or maintenance of any unlawful conduct, public nuisance, or disorderly conduct either within the establishment or on or about the adjacent businesses and public streets, alleys, parks, parking facilities, or other areas open to the public. The establishment shall make reasonable effort to report to authorities any unlawful conduct that is observed from the premises. The requirements of this section shall be a written condition of each special use permit issued to a dispensary or caregiver operation.

k. No drive-through facilities shall be permitted.

l. They may not be operated out of a residence or residential structure.

m. All transfers and deliveries of medical marihuana to qualifying patients must occur within the structure out of public view or inside the patient's residence.

n. The consumption of medical marihuana on the premises is prohibited.

(7) *Household pet daycares*. The following additional standards shall apply to household pet daycares:

a. Household pet daycare shall be located within a fully enclosed accessory structure meeting the requirements of the zoning code. Such accessory structure shall be located in the rear yard no closer than one hundred feet from any adjoining dwelling and no closer than twenty-five feet from the dwelling of the owner thereof.

b. The enclosure shall be properly ventilated to prevent drafts and remove odors, shall be of sufficient size to accommodate the animals, and shall be designed so as to prevent rats, mice, or other rodents from being harbored underneath, inside, or inside the walls of the enclosure.

c. Outdoor activities must be supervised and restricted to the hours between 9:00 am and 5:00 pm; and fully contained within a six (6) foot high solid fenced area in the rear yard. The required fenced area shall be a minimum of fifteen (15) feet from the property line. A fence located on a property line shall not satisfy the requirement for a fenced area.

d. Hours of operation shall be 12 hours or less and be restricted to the hours between 6 am and 7 pm. Animals shall be kept within the accessory structure or within a fenced area at all times unless leashed, and shall not be permitted to run at large.

e. All structures for the keeping of such animals shall be constructed of material that can be easily cleaned and shall be kept in a clean and sanitary condition. The required fenced area must be cleaned daily and kept free from trash and accumulated droppings. Appropriate disposal of droppings is required. All provisions of the City Code relating to noise, odor, and sanitation, including the provisions of this article, shall apply to the keeping of animals under this section.

(8) *Reduced building height.* Where a special use permit is required to permit building height below the level permitted in any use district, such buildings may

be approved only if they comply with subsection (a) of this section and one of the following additional standards.

a. The proposed building is of a particular architectural style that has significant importance to the proposed use of the building or is deemed an architecturally significant addition to the overall attractiveness of the district and the applicant has demonstrated that there is no reasonable alternative to the height sought in achieving such attractive construction..

b. The proposed use contributes substantially to the mix of desirable commercial, residential, social, cultural or employment opportunities or public amenities or open space available in the business district to achieve one or more public goals or objectives as specified in the comprehensive plan or other strategic plan of the City, to benefit the business district, the adjacent residential or public areas or the City as a whole.

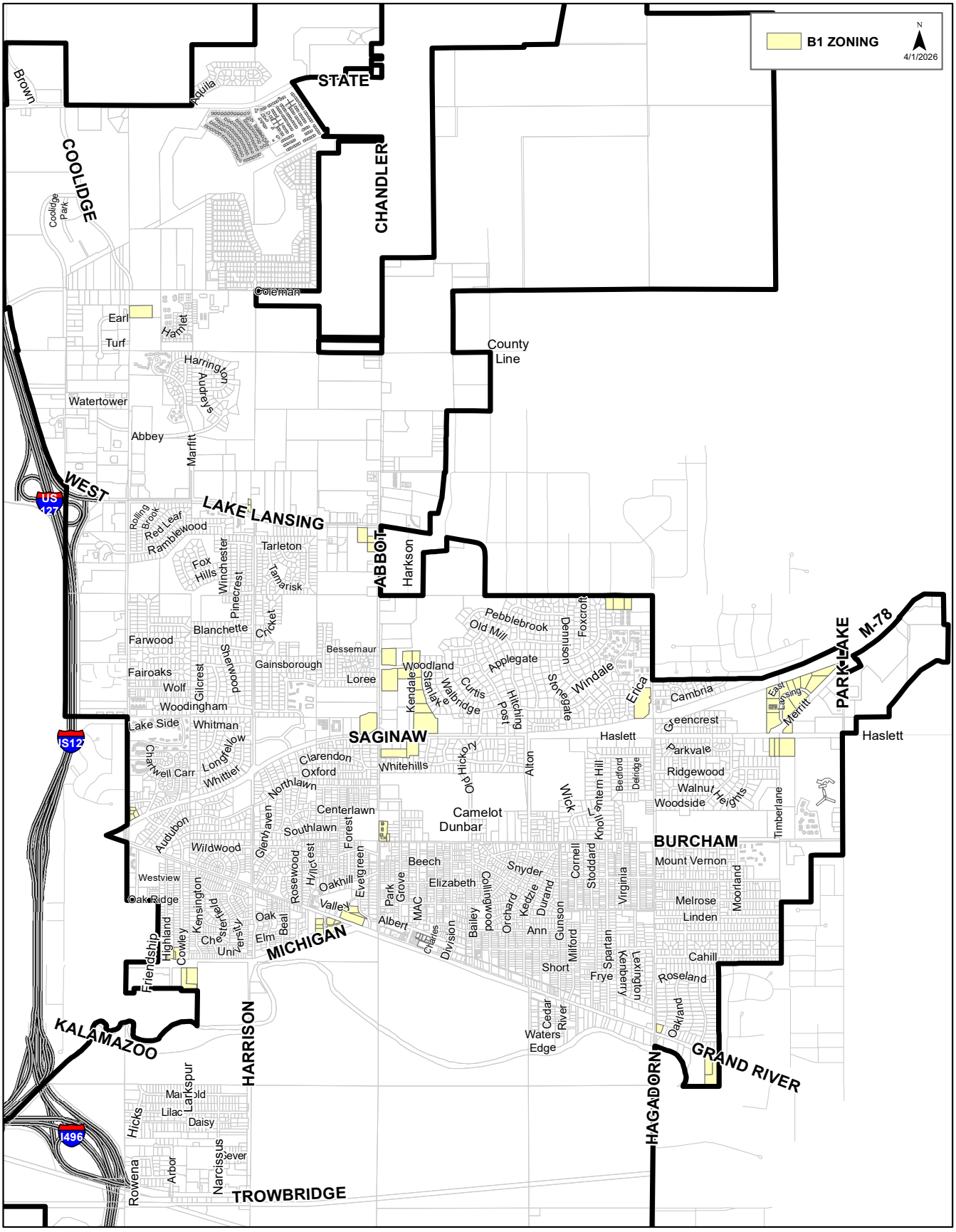
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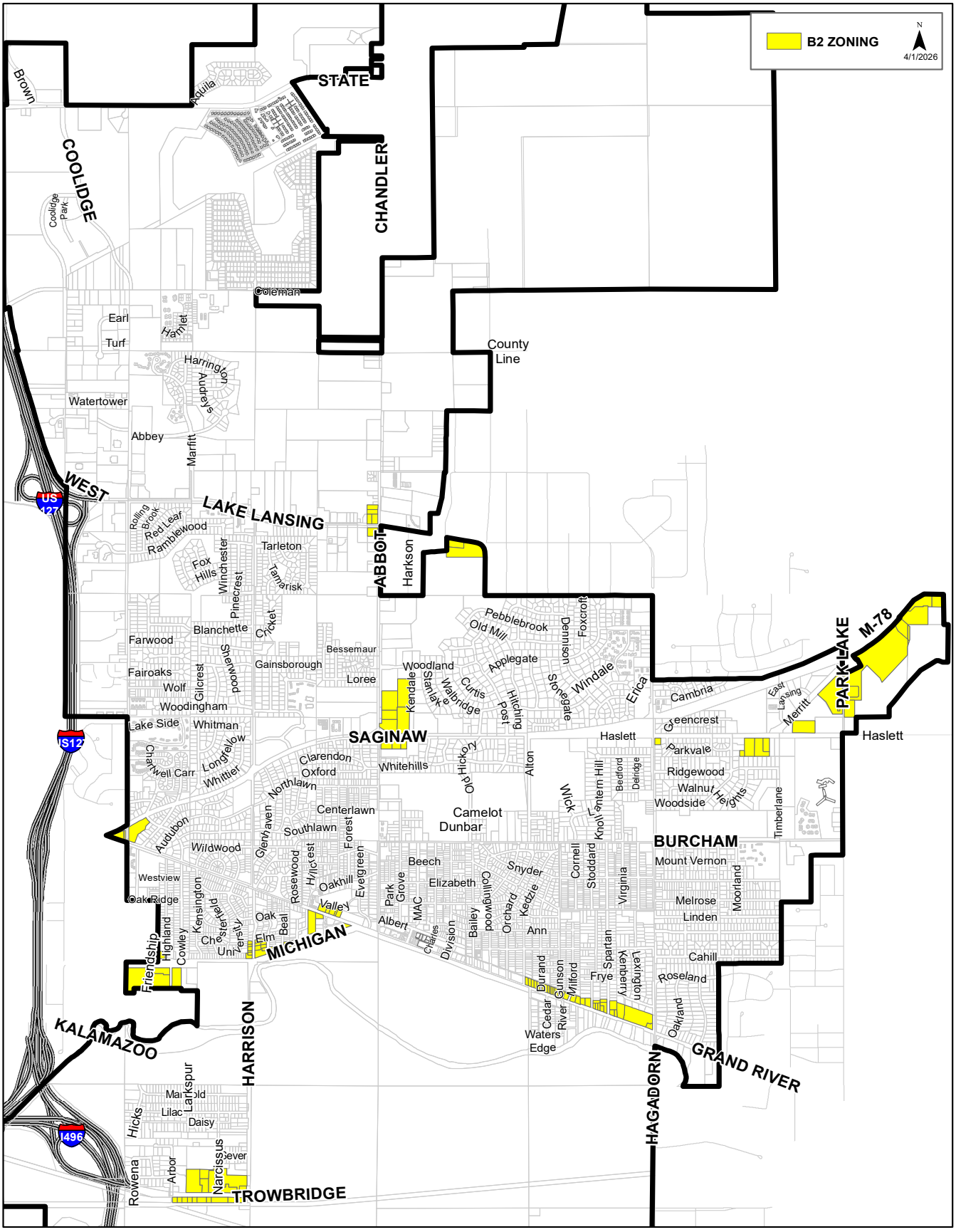
Mark S. Meadows, Mayor Marie E. Wicks, City Clerk

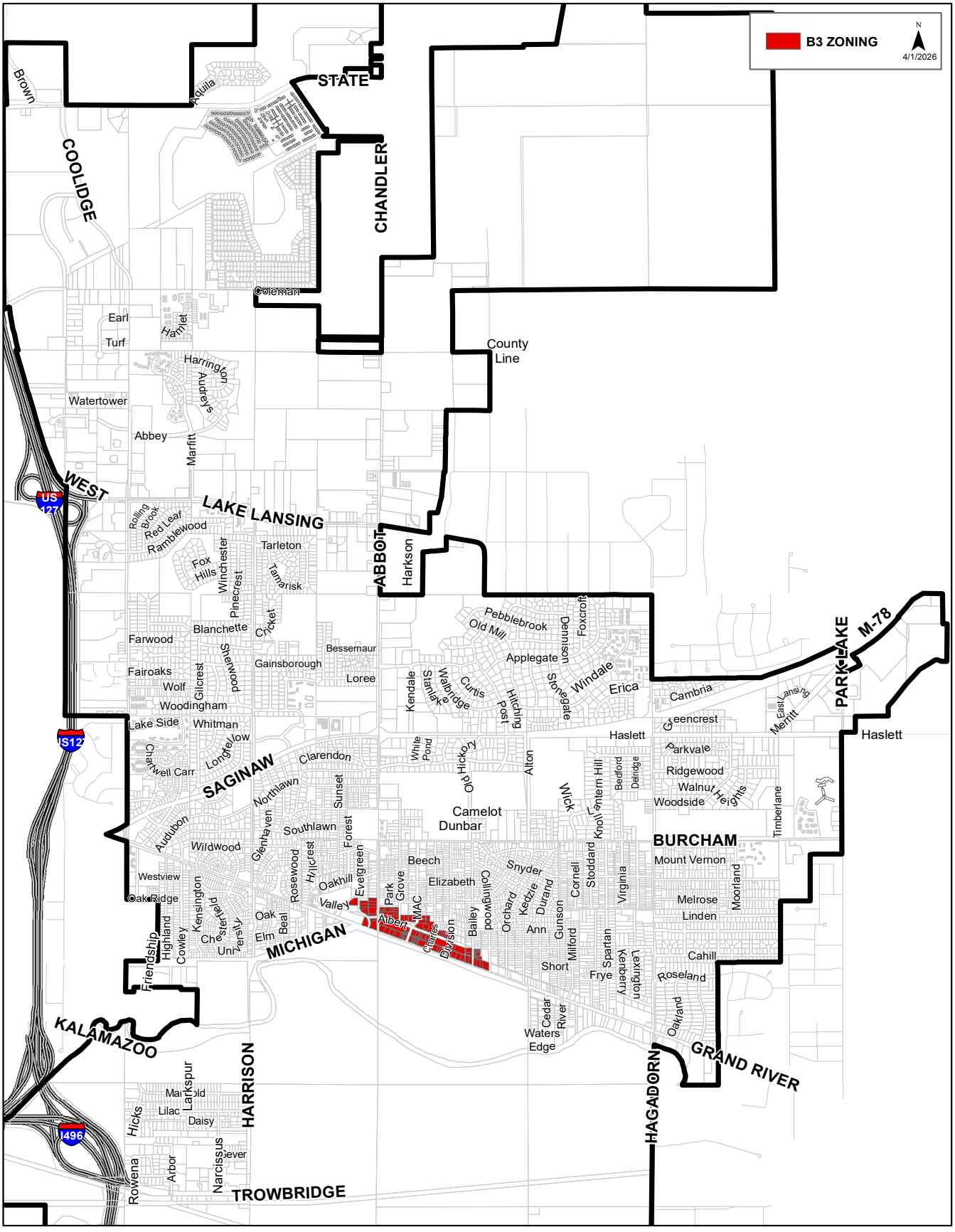
City	University	Conference	Mandatory Requirement	Bonus Incentives	Percentage Required	Type (SF or Unit)	Fee Per	Applied to 530 Albert	East Lansing Equivalent Per Unit
State College, PA	Penn State	Big 10	Yes	Yes	10%	Unit	$ 129,000	$ 3,044,400	$ 51,600
Bloomington, IN	Indiana	Big 10	Yes	Yes	30%	Unit	$ 50,000	$ 3,540,000	$ 60,000
Iowa City, IA	Iowa	Big 10	Yes	Yes	10%	Unit	$ 113,065	$ 2,668,334	$ 45,226
Minneapolis, MN	Minnesota	Big 10	Yes	Yes	8%	Total Leasable SF	$ 22	$ 3,978,414	$ 67,431
Columbus, OH	Ohio State	Big 10	Yes	Yes	10%	Unit	$ 32,000	$ 755,200	$ 12,800
Evanston, IL	Northwestern	Big 10	Yes	Yes	10%	Unit	$ 150,000	$ 3,540,000	$ 60,000
Seattle, WA	Washington	Big 10	Yes	Yes	5-10%	Total Rental SF	$ 29	$ 6,106,800	$ 103,505
Lincoln, NE	Nebraska	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
Champaign, IL	Illinois	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
Ann Arbor, MI	Michigan	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
Madison, WI	Wisconsin	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
Eugene, OR	Oregon	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
West Lafayette, IN	Purdue	Big 10	No	No	0%	N/A	N/A	$ -	$ -
New Brunswick, NJ	Rutgers	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
College Park, MD	Maryland	Big 10	No	Yes	0%	N/A	N/A	$ -	$ -
Pittsburgh, PA	Pittsburgh	ACC	Yes	Yes	10%	*Under Development*	N/A	$ -	$ -
Miami, FL	Miami	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Tallahassee, FL	Florida State	ACC	No	No	0%	N/A	N/A	$ -	$ -
Clemson, SC	Clemson	ACC	No	No	0%	N/A	N/A	$ -	$ -
Chapel Hill, NC	North Carolina	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Raleigh, NC	North Carolina State	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Durham, NC	Duke	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Winston-Salem, NC	Wake Forest	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Louisville, KY	Louisville	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Atlanta, GA	Georgia Tech	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Blacksburg, VA	Virginia Tech	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Charlottesville, VA	Virginia	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
South Bend, IN	Notre Dame	ACC	No	No	0%	N/A	N/A	$ -	$ -
Dallas, TX	Southern Methodist	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Syracuse, NY	Syracuse	ACC	No	Yes	0%	N/A	N/A	$ -	$ -
Boulder, CO	Colorado	Big 12	Yes	Yes	25%	Total Rental SF	$ 49	$ 10,299,997	$ 174,576
Tempe, AZ	Arizona State	Big 12	No	Yes	0%	N/A	N/A	$ -	$ -
Tucson, AZ	Arizona	Big 12	No	Yes	0%	N/A	N/A	$ -	$ -
Ames, IA	Iowa State	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Lawrence, KS	Kansas	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Manhattan, KS	Kansas State	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Stillwater, OK	Oklahoma State	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Waco, TX	Baylor	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Houston, TX	Houston	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Lubbock, TX	Texas Tech	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Fort Worth, TX	TCU	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Cincinnati, OH	Cincinnati	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Morgantow, WV	West Virginia	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Provo, UT	Brigham Young	Big 12	No	No	0%	N/A	N/A	$ -	$ -
Orlando, FL	Central Florida	Big 12	No	Yes	0%	N/A	N/A	$ -	$ -
Salt Lake City, UT	Utah	Big 12	No	Yes	0%	N/A	N/A	$ -	$ -
Norman, OK	Oklahoma	SEC	No	No	0%	N/A	N/A	$ -	$ -
Austin, TX	Texas	SEC	No	Yes	0%	N/A	N/A	$ -	$ -
Auburn, AL	Auburn	SEC	No	No	0%	N/A	N/A	$ -	$ -
Baton Rouge, LA	Louisiana State	SEC	No	No	0%	N/A	N/A	$ -	$ -
Starkville, MS	Mississippi State	SEC	No	No	0%	N/A	N/A	$ -	$ -
College Station, TX	Texas A&M	SEC	No	No	0%	N/A	N/A	$ -	$ -
Tuscaloosa, AL	Alabama	SEC	No	No	0%	N/A	N/A	$ -	$ -
Fayetteville, AR	Arkansas	SEC	No	No	0%	N/A	N/A	$ -	$ -
Gainesville, FL	Florida	SEC	No	Yes	0%	N/A	N/A	$ -	$ -
Athens, GA	Georgia	SEC	No	No	0%	N/A	N/A	$ -	$ -
Lexington, KY	Kentucky	SEC	No	Yes	0%	N/A	N/A	$ -	$ -
Oxford, MS	Ole Miss	SEC	No	No	0%	N/A	N/A	$ -	$ -
Columbia, MO	Missouri	SEC	No	No	0%	N/A	N/A	$ -	$ -
Columbia, SC	South Carolina	SEC	No	No	0%	N/A	N/A	$ -	$ -
Knoxville, TN	Tennessee	SEC	No	No	0%	N/A	N/A	$ -	$ -
Nashville, TN	Vanderbilt	SEC	No	Yes	0%	N/A	N/A	$ -	$ -

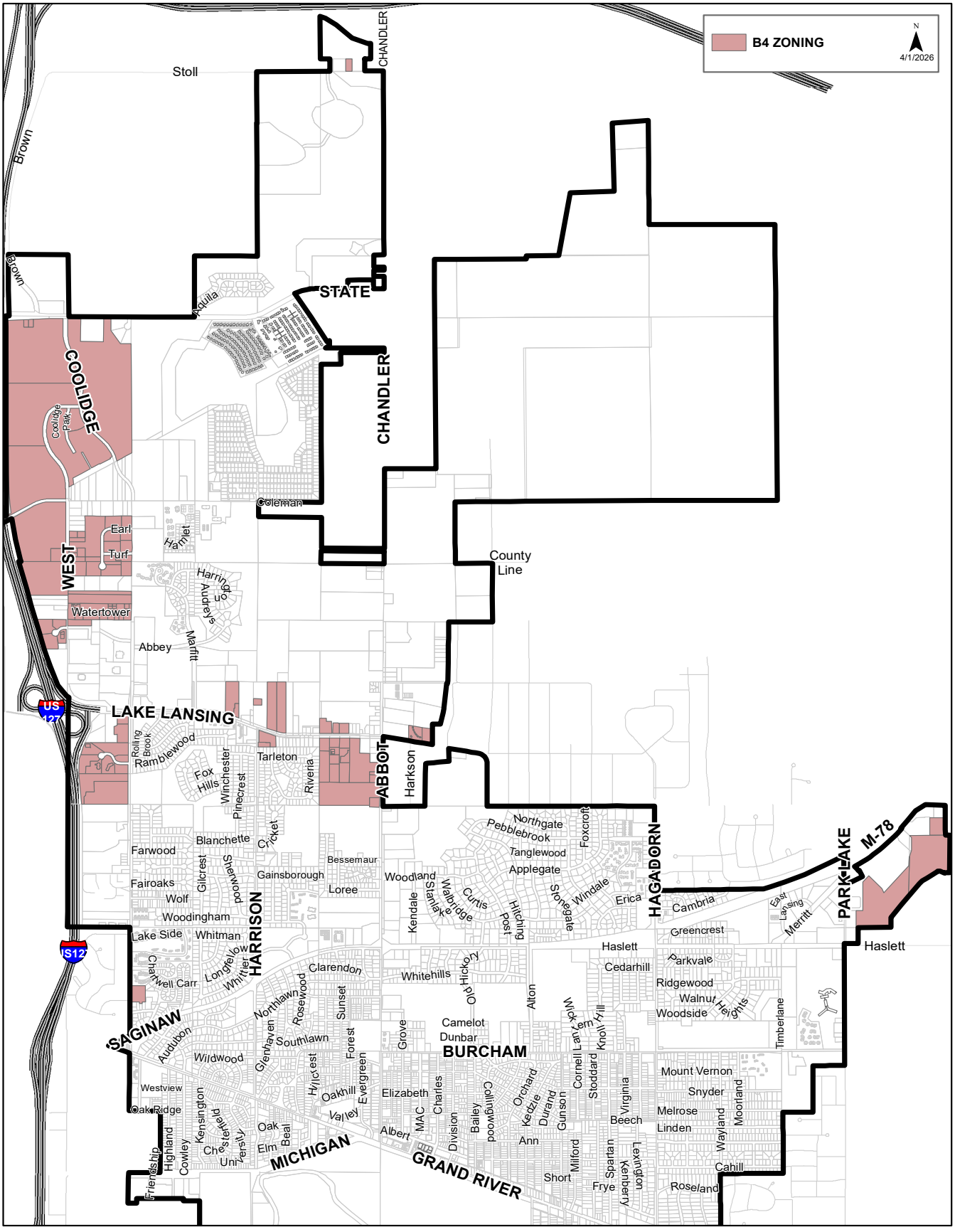
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Stanford University
California - Berkeley
University of Southern California
UCLA
Boston College

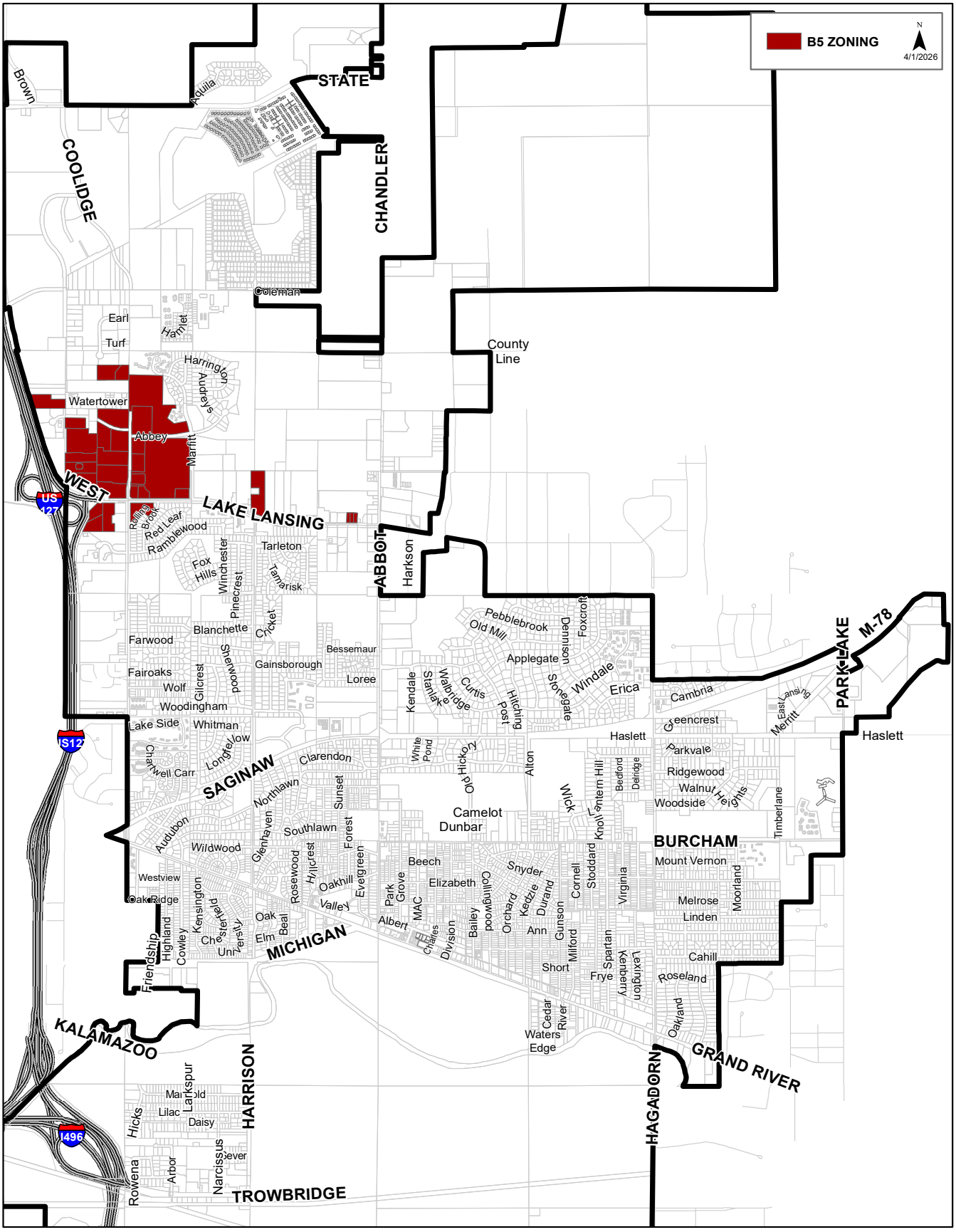
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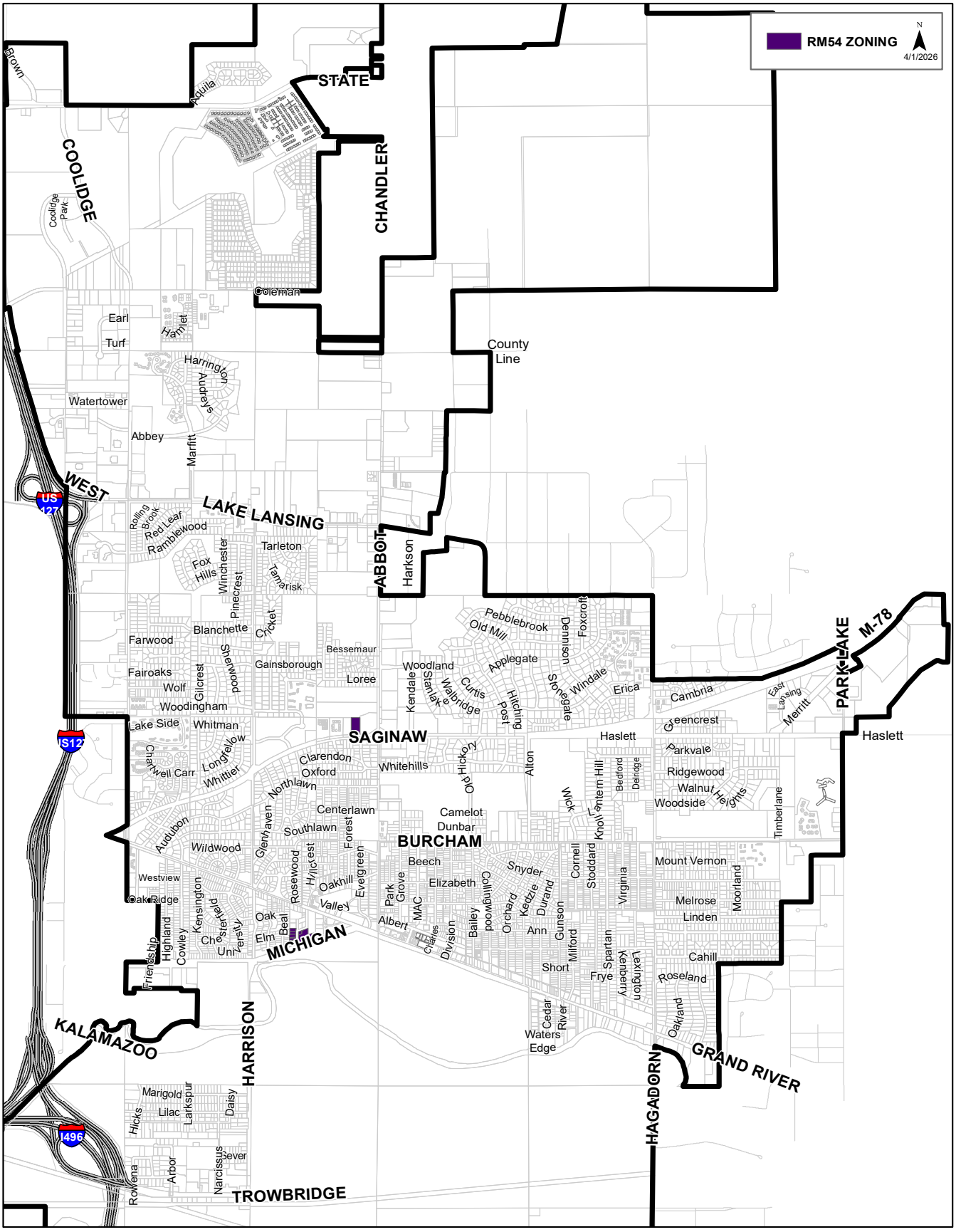

B1 ZONING
N
4/1/2026
STATE
COOLIDGE
CHANDLER
ABBOT
Harkson
County Line
WEST
LAKE LANSING
PARK LAKE
M-78
Haslett
SAGINAW
BURCHAM
Camelot Dunbar
MICHIGAN
KALAMAZOO
HARRISON
HAGADORN
GRAND RIVER
TROWBRIDGE
Coleman
Brown
Aquila
Coolidge Park
Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
Rolling Brook
Red Leaf
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
Cricket
Blanchette
Farwood
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
Gainsborough
Bessemaur
Loree
Woodland
Kendale
Stanlake
Walbridge
Curtis
Hilcrest
Post
Applegate
Pebblebrook
Old Mill
Dennison
Foxcroft
Windale
Sonoma
Erica
Cambria
Greencrest
East Lansing
Merritt
Parkvale
Ridgewood
Walnut Heights
Woodside
Timberlane
Chatwell Carr
Longfellow
Whittier
Clarendon
Oxford
Northlawn
Whitehills
Old Hickory
Alton
Wick
Lantern Hill
Knollwood
Bedford
Delridge
Centerlawn
Southlawn
Forest
Glenhaven
Audubon
Wildwood
Westview
Oak Ridge
Rosewood
Hillcrest
Oakhill
Evergreen
Park Grove
Beech
Elizabeth
Collingwood
Snyder
Orchard
Kedzie
Durand
Cornell
Stoddard
Virginia
Mount Vernon
Melrose
Linden
Moorland
Valley
Albert
MAC
Charles
Division
Bailey
Ann
Gunson
Milford
Spartan
Kenbourne
Lexington
Short
Frye
Cahill
Roseland
Oakland
Cedar River
Waters Edge
Oak
Beal
Elm
University
Chesterfield
Kensington
Cowley
Highland
Friendship
Larkspur
Marigold
Lilac
Daisy
Hicks
Rowena
Arbor
Narcissus
Clover
I-496
US 127
I-96
M-43

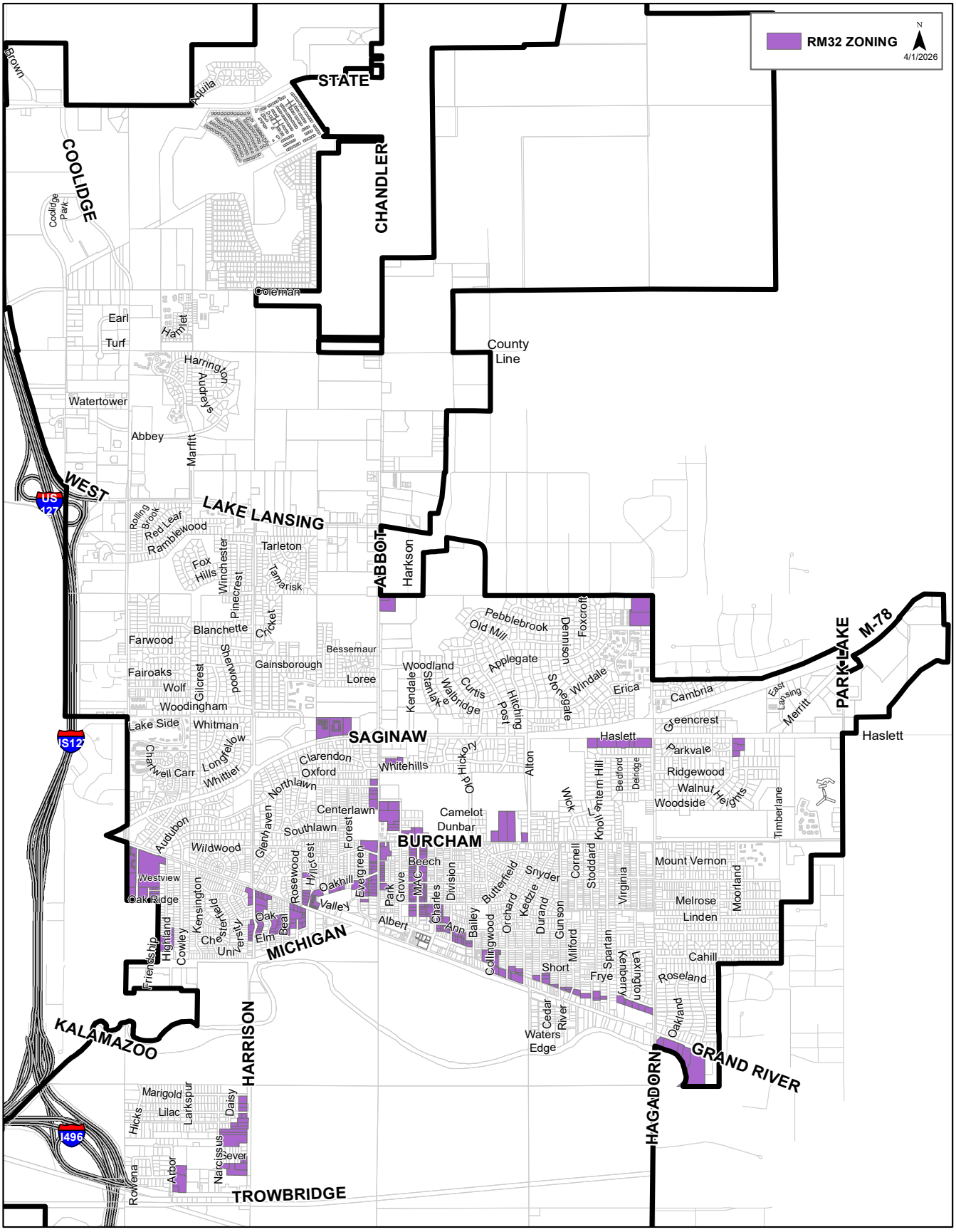

B2 ZONING
N
4/1/2026
STATE
CHANDLER
COOLIDGE
Coolidge Park
Brown
Aquila
Coleman
County Line
Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
WEST
US 127
LAKE LANSING
Rolling Brook
Red Leaf
Ramblewood
Fox Hills
Winchester
Pinecrest
Tarleton
Tamarisk
ABBOT
Harkson
Farwood
Blanchette
Cricket
Shorewood
Gilcrest
Fairoaks
Wolf
Woodingham
Lake Side
Whitman
Gainsborough
Bessemaur
Loree
Pebblebrook
Old Mill
Foxcroft
Dennison
Applegate
Woodland
Kendale
Stanlake
Walbridge
Curtis
Hilchurst
Post
Windale
Sholes
Erica
Cambria
M-78
PARK LAKE
East Lansing
Merritt
Haslett
Greencrest
Parkvale
Ridgewood
Walnut Heights
Woodside
Timberlane
SAGINAW
Whitehills
Clarendon
Oxford
Northlawn
Centerlawn
Southlawn
Forest
Evergreen
Hickory
Alton
Wick
Lenten Hill
Knollwood
Bedford
Delridge
Camelot
Dunbar
BURCHAM
Mount Vernon
Melrose
Linden
Moorland
Cahill
Roseland
Oakland
Audubon
Wildwood
Glenhaven
Rosewood
Hillcrest
Oakhill
Valley
Beech
Elizabeth
Park Grove
MAC
Albert
Charles
Division
Collingwood
Orchard
Kedzie
Snyder
Cornell
Stoddard
Virginia
Ann
Bailey
Spartan
Frye
Kenbarry
Lexington
Durand
Gunson
Milford
Cedar River
Waters Edge
Westview
Oak Ridge
Kensington
Chesterfield
University
Oak
Beal
Elm
MICHIGAN
Friendship
Highland
Cowley
KALAMAZOO
HARRISON
HAGADORN
GRAND RIVER
Larkspur
Marigold
Lilac
Daisy
Hicks
Arbor
Rowena
Narcissus
Clever
I496
TROWBRIDGE

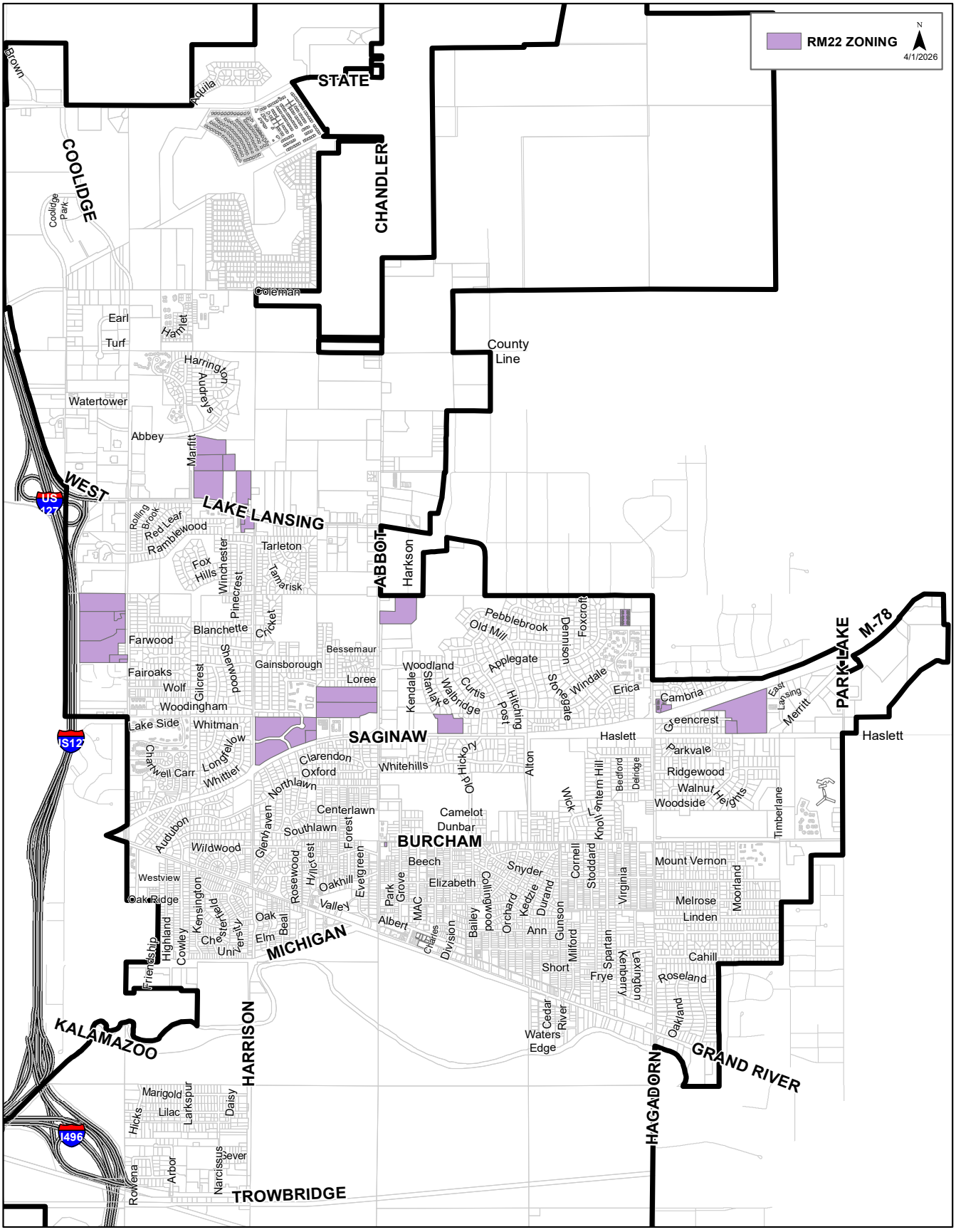

B3 ZONING
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4/1/2026
STATE
COOLIDGE
CHANDLER
Brown
Aquila
Coleman
Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
County Line
WEST
US 127
LAKE LANSING
Rolling Brook
Red Leaf
Ramblewood
Fox Hills
Winchester
Pinecrest
Tarleton
Tamarisk
ABBOT
Harkson
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
Longfellow
Chatwell Carr
I-12
SAGINAW
Clarendon
Northlawn
Sunset
Audubon
Southlawn
Forest
Wildwood
Glenhaven
Rosewood
Hillcrest
Oakhill
Evergreen
Westview
Oak Ridge
Kensington
Highland
Cowley
Chesterfield
University
Oak
Beal
Elm
Valley
Park Grove
Albert
MAC
Charles
Division
MICHIGAN
Friendship
KALAMAZOO
I-496
Hicks
Rowena
Arbor
Narcissus
Larkspur
Marigold
Lilac
Daisy
Clever
HARRISON
TROWBRIDGE
Pebblebrook
Old Mill
Foxcroft
Dennison
Applegate
Windale
Erica
Cambria
Kendale
Stanlake
Walbridge
Curtis
Hilching
Post
Seabrook
Greencrest
Haslett
Parkvale
Ridgewood
Walnut Heights
Woodside
East Lansing
Merritt
PARK LAKE
M-78
Haslett
White Pond
Hickory
Alton
Wick
Lantern Hill
Knollwood
Bedford
Delridge
Timberlane
Camelot
Dunbar
BURCHAM
Mount Vernon
Beech
Elizabeth
Collingwood
Snyder
Orchard
Kedzie
Durand
Cornell
Stoddard
Virginia
Melrose
Linden
Moorland
Bailey
Ann
Gunson
Milford
Spartan
Kenbourne
Lexington
Short
Frye
Cahill
Roseland
Oakland
Cedar River
Waters Edge
HAGADORN
GRAND RIVER

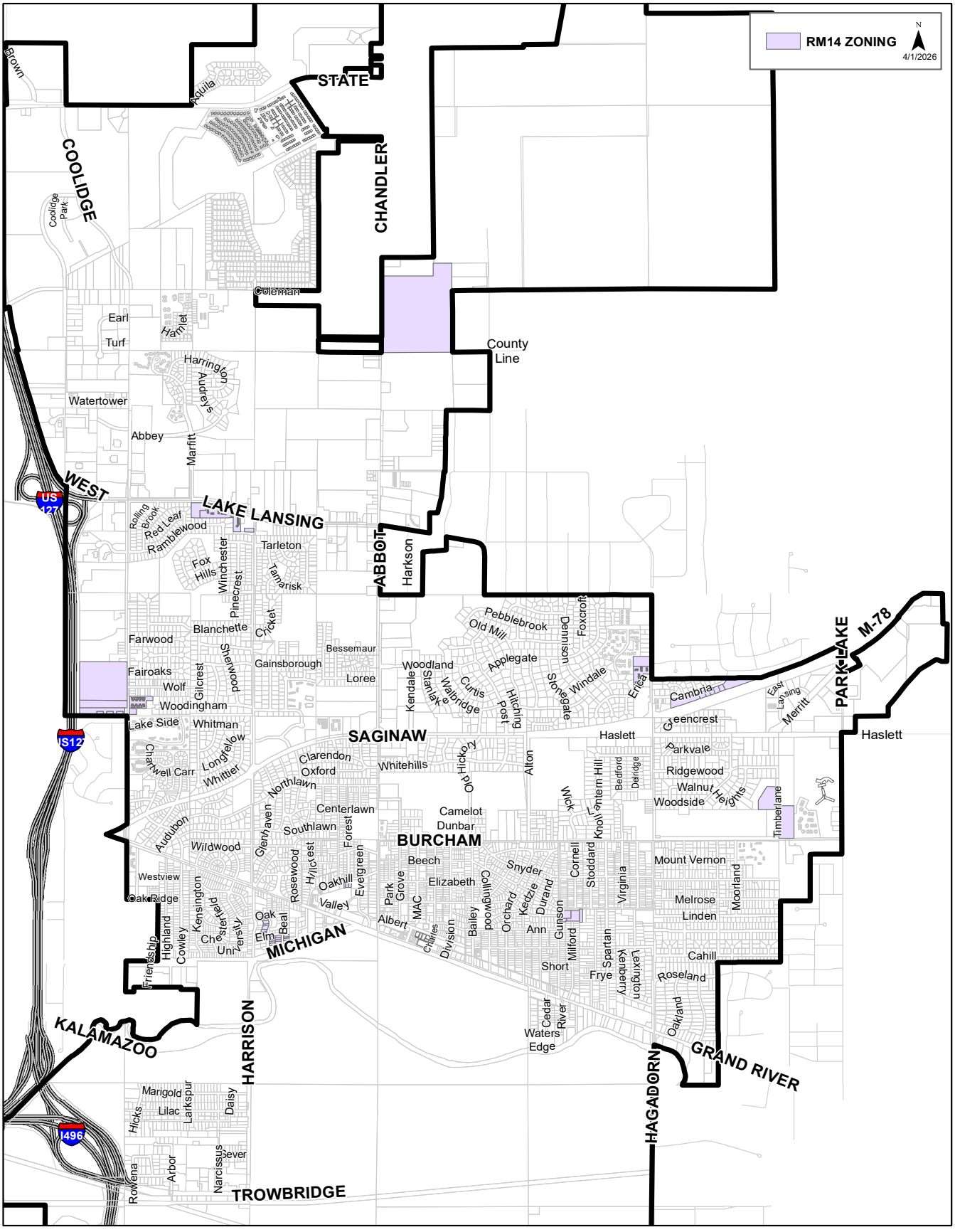

B4 ZONING
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4/1/2026
CHANDLER
Stoll
Brown
STATE
Aquila
COOLIDGE
Coolidge Park
CHANDLER
Coleman
Earl
Turf
WEST
Harriet
Harrington
Audreys
Watertower
Abbey
Manfitt
County Line
US 127
LAKE LANSING
Rolling Brook
Ramblewood
Fox Hills
Winchester
Pinecrest
Tarleton
Riveria
ABBOTT
Harkson
Northgate
Pebblebrook
Foxcroft
Tanglewood
Applegate
HAGADORN
Cambria
East Lansing
Meritt
PARK LAKE
M-78
Haslett
Greencrest
Parkvale
Cedarhill
Ridgewood
Walnut Heights
Woodside
Timberlane
Blanchette
Farwood
Cricket
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Woodingham
Gilcrest
Shenewood
Woodland
Stanlake
Walbridge
Curtis
Kendale
Hitching Post
Stonegate
Windale
Erica
Lake Side
Whitman
HARRISON
I-127
Chartwell Carr
Longfellow
Whittier
Clarendon
Whitehills
Old Hickory
Alton
Northlawn
Rosewood
Sunset
Camelot
Dunbar
BURCHAM
Grove
Mark Lane
Fern Hill
Knoll
Stoddard
Cornell
Virginia
Beech
Mount Vernon
Snyder
Melrose
Linden
Moorland
Wayland
Cahill
Roseland
Lexington
Kenbery
Spartan
Frye
Short
Milford
Ann
Orchard
Kedzie
Durand
Gunson
Collingwood
Bailey
Division
Charles
MAC
Albert
Elizabeth
Oakhill
Valley
Evergreen
Forest
Hillcrest
Glenhaven
Southlawn
Audubon
Wildwood
SAGINAW
Westview
Oak Ridge
Kensington
Chesterfield
University
Oak
Elm
Beal
Highland
Cowley
Friendship
MICHIGAN
GRAND RIVER

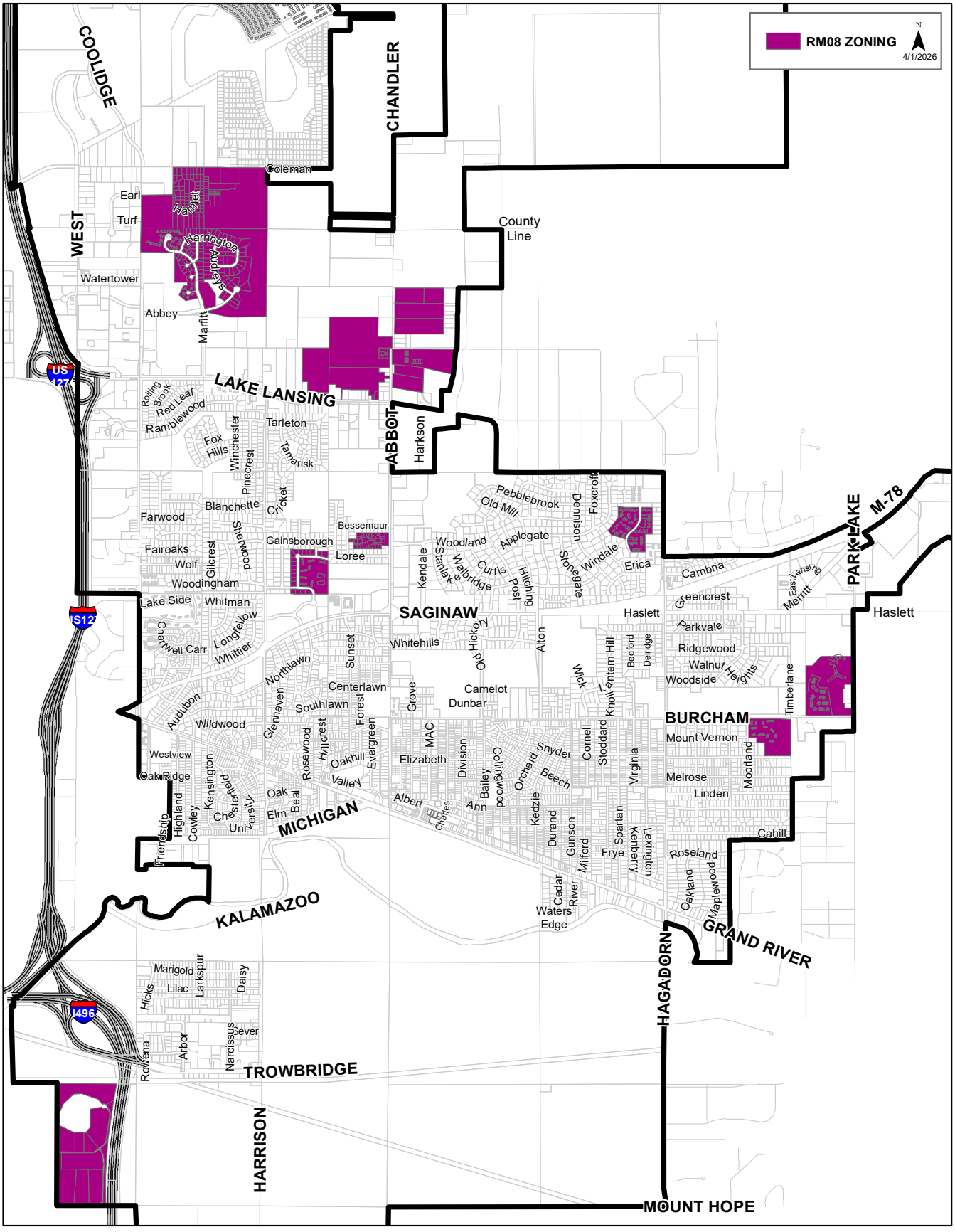

B5 ZONING
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4/1/2026
STATE
COOLIDGE
CHANDLER
ABBOTT
Brown
Aquila
Coleman
Earl
Turf
Hamlet
Harrington
Audrey
Watertower
Abbey
Marfitt
County Line
WEST
LAKE LANSING
US 127
Rolling Brook
Red Lear
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
Harkson
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
I-127
Longfellow
Chatwell Carr
SAGINAW
Clarendon
Northlawn
Sunset
Audubon
Southlawn
Forest
Wildwood
Glenhaven
Westview
Oak Ridge
Rosewood
Hillcrest
Oakhill
Evergreen
Valley
Park Grove
Albert
MAC
Beech
Elizabeth
Collingwood
Orchard
Kedzie
Durand
Snyder
Ann
Gunson
Milford
Cornell
Stoddard
Virginia
Spartan
Kenbourn
Taxington
Short
Frye
Cahill
Roseland
Oakland
Cedar River
Waters Edge
Kensington
Chesterfield
University
Oak
Beal
Elm
Highland
Cowley
Friendship
MICHIGAN
KALAMAZOO
HARRISON
HAGADORN
GRAND RIVER
Pebblebrook
Old Mill
Dennison
Foxcroft
Applegate
Windale
Erica
Cambria
Greencrest
Haslett
Parkvale
Ridgewood
Walnut Heights
Woodside
Timberlane
East Lansing
Merritt
PARK LAKE
M-78
Camelot
Dunbar
White Pond
Hickory
Alton
Wick
Lantern Hill
Knollwood
Bedford
Delridge
BURCHAM
Mount Vernon
Melrose
Linden
Moorland
Kendale
Stanlake
Walbridge
Curtis
Hitching Post
Seabrook
Larkspur
Marigold
Lilac
Daisy
Hicks
Rowena
Arbor
Narcissus
Clover
TROWBRIDGE
I-496

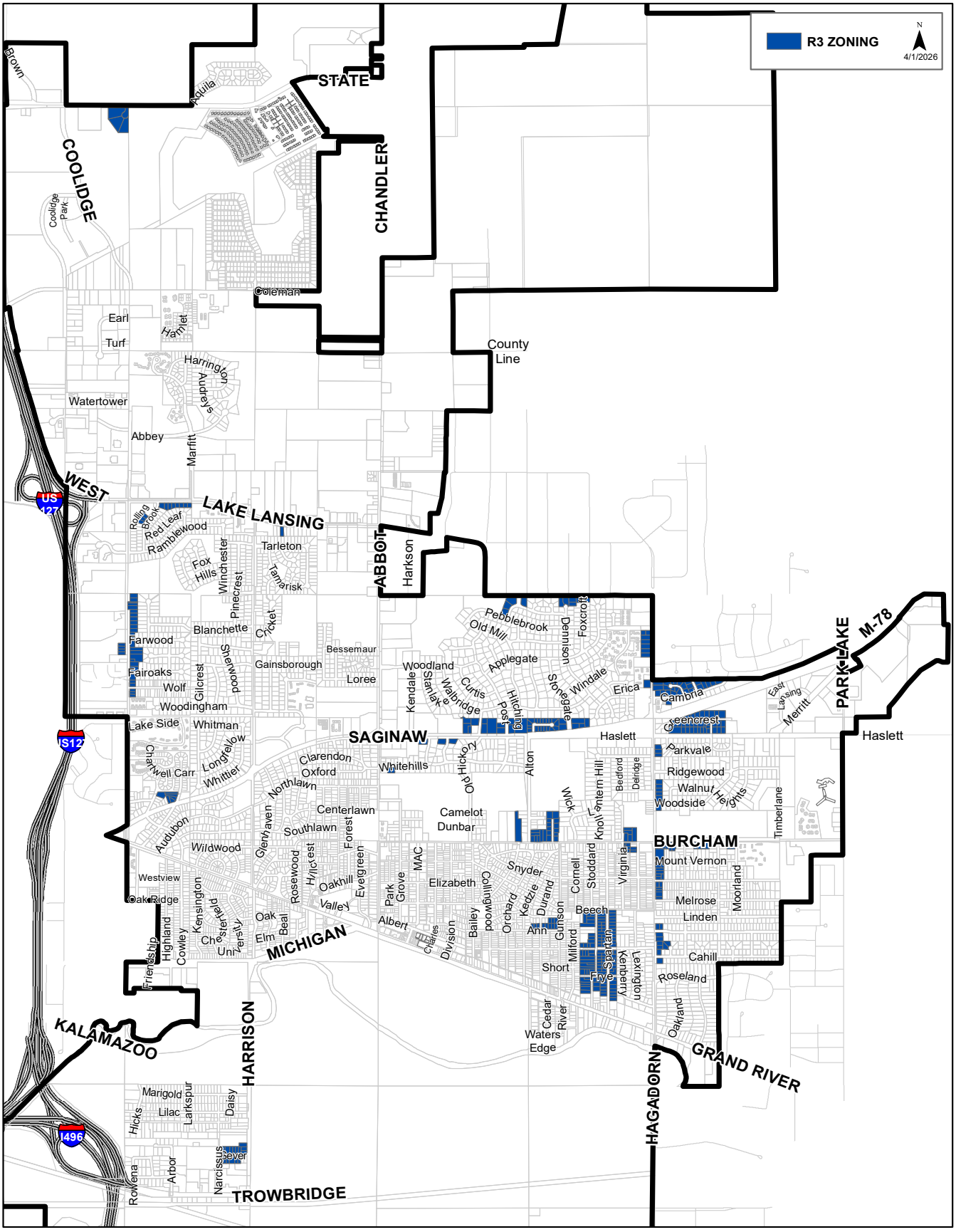

RM54 ZONING
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STATE
COOLIDGE
CHANDLER
Coleman
County Line
ABBOTT
Harkson
WEST
LAKE LANSING
SAGINAW
BURCHAM
MICHIGAN
HARRISON
KALAMAZOO
TROWBRIDGE
HAGADORN
GRAND RIVER
PARK LAKE
M-78
Haslett
US 127
I-496
Brown
Aquila
Coolidge Park
Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
Rolling Brook
Red Leaf
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
Chatwell Carr
Longfellow
Whittier
Clarendon
Oxford
Northlawn
Centerlawn
Southlawn
Audubon
Wildwood
Glenhaven
Forest
Rosewood
Hillcrest
Oakhill
Evergreen
Valley
Oak
Beal
Elm
Westview
Oak Ridge
Kensington
Chesterfield
University
Highland
Cowley
Friendship
Whitehills
Hickory
Alton
Woodland
Kendale
Stanlake
Walbridge
Curtis
Hitching Post
Applegate
Pebblebrook
Old Mill
Dennison
Foxcroft
Windale
Sharon Gate
Erica
Cambria
Greencrest
East Lansing
Merritt
Parkvale
Ridgewood
Walnut Heights
Woodside
Timberlane
Lantern Hill
Knollwood
Bedford
Delridge
Wick
Camelot
Dunbar
Beech
Elizabeth
Park Grove
MAC
Albert
Charles
Division
Collingwood
Orchard
Kedzie
Snyder
Durand
Bailey
Ann
Gunson
Milford
Cornell
Stoddard
Virginia
Mount Vernon
Melrose
Linden
Moorland
Cahill
Roseland
Oakland
Short
Frye
Spartan
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Sever
Rowena

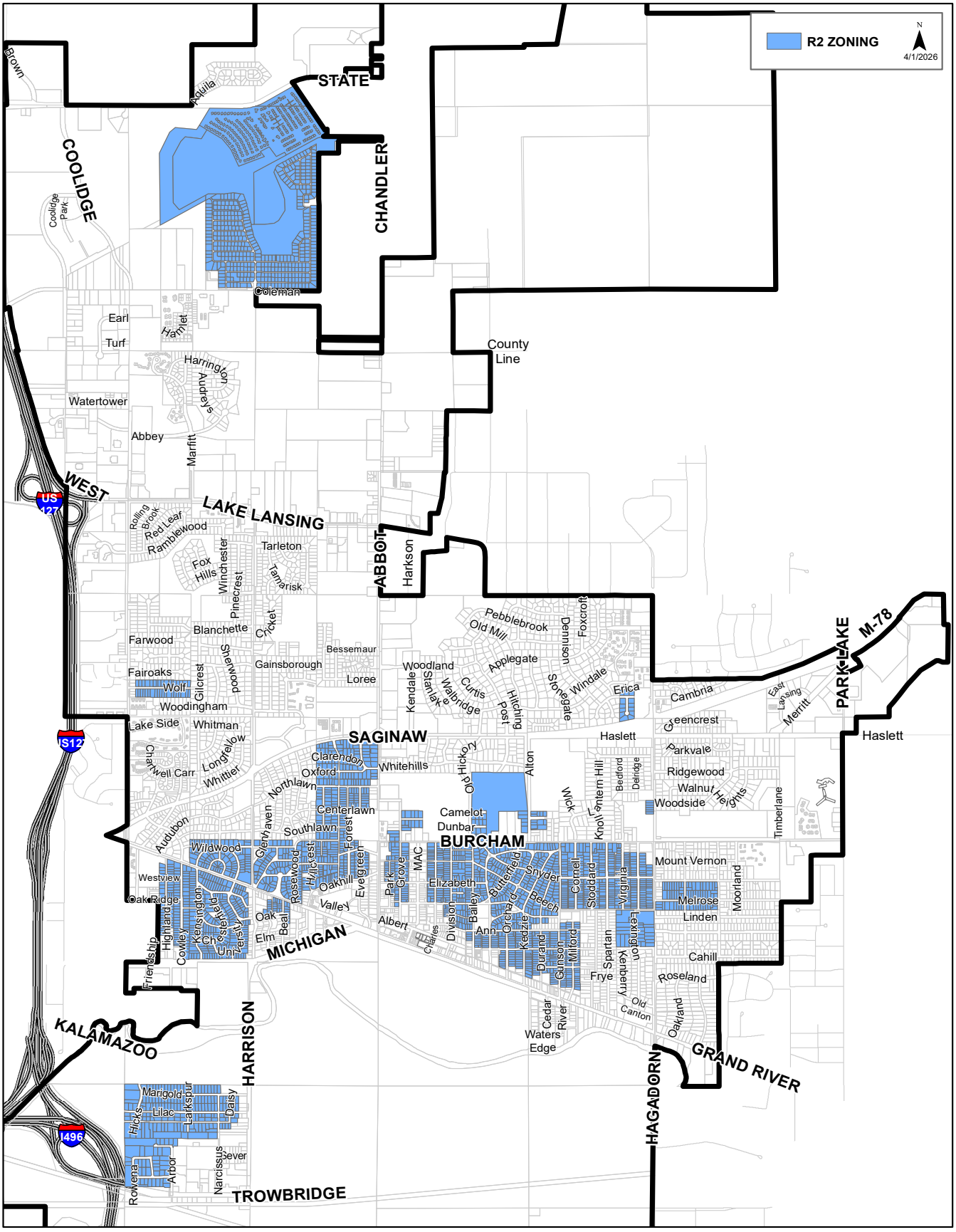

RM32 ZONING
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Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
County Line
WEST
US 127
LAKE LANSING
ABBOTT
Harkson
Rolling Brook
Red Leaf
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
I-12
SAGINAW
Chatwell Carr
Longfellow
Whittier
Clarendon
Oxford
Northlawn
Whitehills
Hickory
Alton
Centerlawn
Camelot
Dunbar
Southlawn
Forest
BURCHAM
Audubon
Wildwood
Glenhaven
Westview
Oak Ridge
Rosewood
Hillcrest
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Division
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Albert
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Bailey
Collingwood
Orchard
Kedzie
Durand
Gunson
Milford
Butterfield
Snyder
Cornell
Stoddard
Virginia
Mount Vernon
Melrose
Linden
Moorland
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Roseland
Oakland
Short
Frye
Spartan
Kenbourne
Lexington
Cedar River
Waters Edge
Kensington
Chesterfield
University
Oak
Elm
Bea
Valley
Highland
Cowley
Friendship
MICHIGAN
KALAMAZOO
HARRISON
Marigold
Larkspur
Daisy
Lilac
Hicks
Arbor
Narcissus
Sever
Rowena
I-496
TROWBRIDGE
HAGADORN
GRAND RIVER
Pebblebrook
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Dennison
Foxcroft
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Stanlake
Walbridge
Curtis
Hitching Post
Windale
Sprucedale
Erica
Cambria
Greencrest
East Lansing
Merritt
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Bedford
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Mack

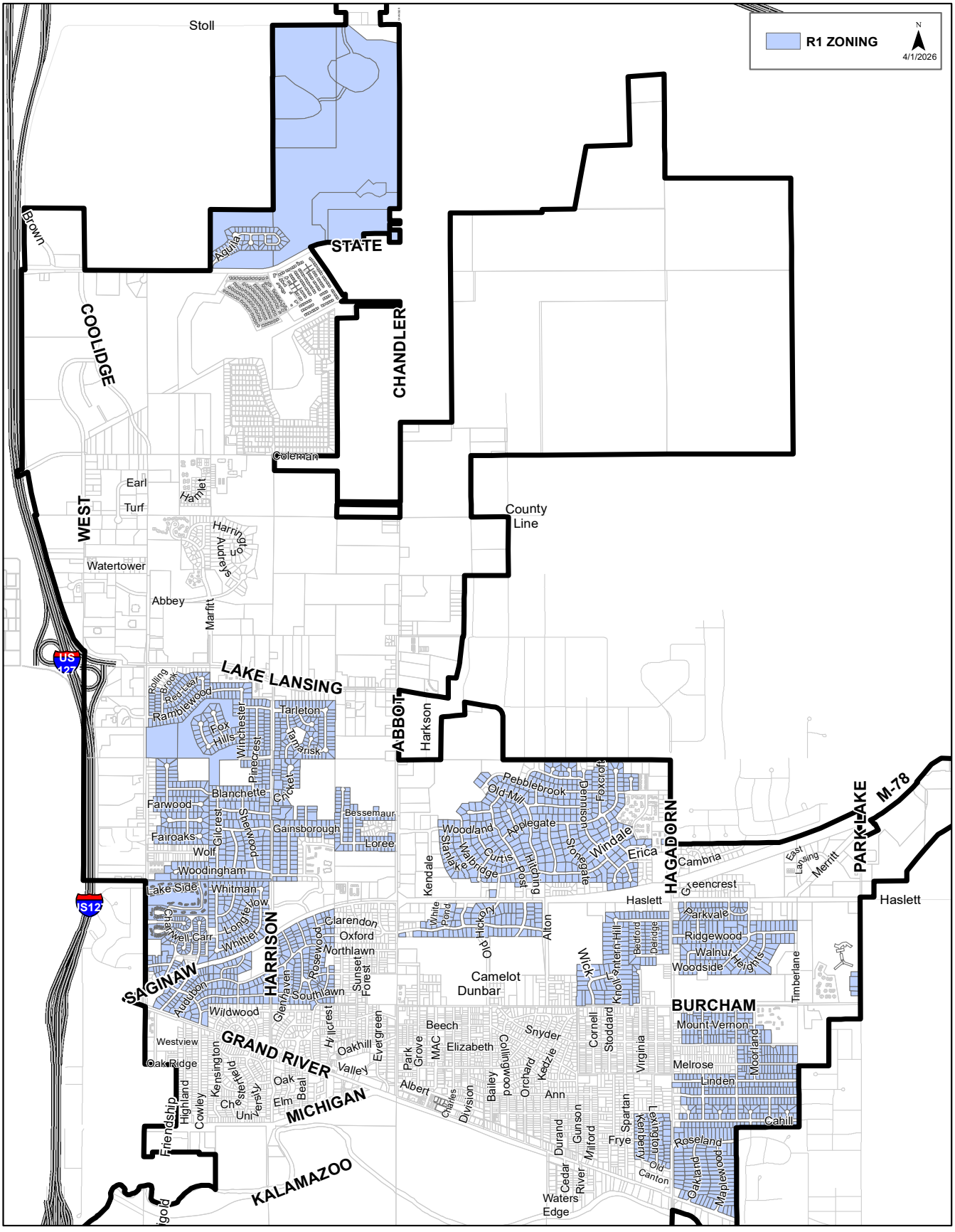

RM22 ZONING
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LAKE LANSING
SAGINAW
BURCHAM
MICHIGAN
HARRISON
KALAMAZOO
TROWBRIDGE
HAGADORN
GRAND RIVER
PARK LAKE
M-78
Haslett
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Aquila
Coolidge Park
Earl
Turf
Hamlet
Harrington
Auditor
Watertower
Abbey
Marfitt
Rolling Brook
Red Leaf
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
Chatwell Carr
Longfellow
Whittier
Clarendon
Oxford
Northlawn
Centerlawn
Southlawn
Forest
Audubon
Wildwood
Glenhaven
Rosewood
Hillcrest
Oakhill
Evergreen
Valley
Park Grove
Albert
MAC
Charles
Division
Bailey
Collingwood
Orchard
Kedzie
Durand
Gunson
Ann
Milford
Short
Frye
Spartan
Kenbourne
Lexington
Cedar River
Waters Edge
Oakland
Roseland
Cahill
Linden
Melrose
Moorland
Mount Vernon
Virginia
Stoddard
Cornell
Beech
Elizabeth
Snyder
Camelot
Dunbar
Whitehills
Hickory
Alton
Mack
Knollcrest
Intern Hill
Bedford
Delridge
Parkvale
Ridgewood
Walnut Heights
Woodside
Timberlane
Greencrest
Cambria
Erica
Windale
Sharon
Dennison
Foxcroft
Pebblebrook
Old Mill
Applegate
Woodland
Kendale
Stanlake
Walbridge
Curtis
Hilcrest
Post
East Lansing
Merritt
Westview
Oak Ridge
Highland
Cowley
Kensington
Chesterfield
University
Oak
Elm
Beal
Friendship
Marigold
Lilac
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Hicks
Arbor
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I496
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I-127
S12

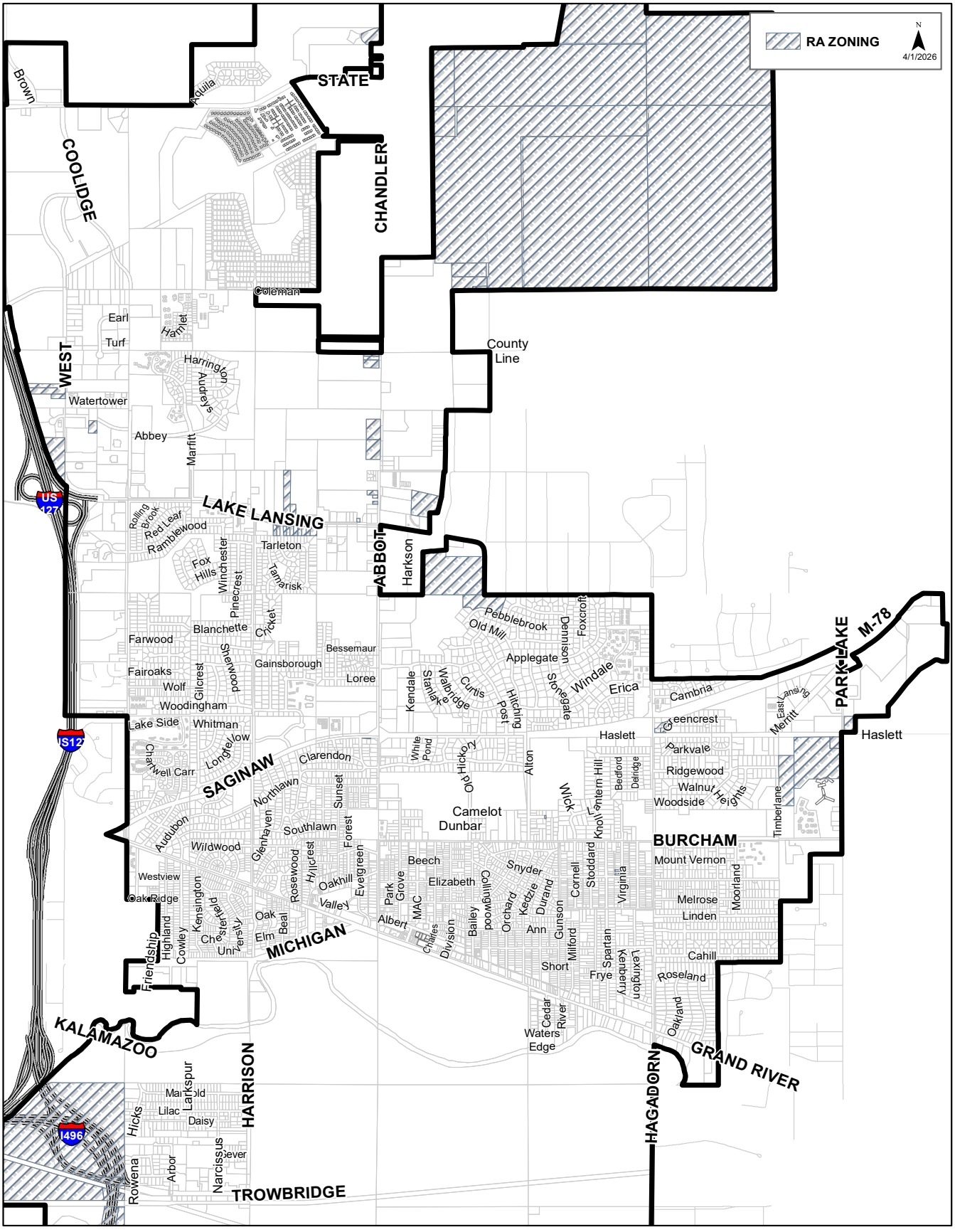

RM14 ZONING
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CHANDLER
Coolidge Park
Coleman
County Line
Earl
Turf
Hamlet
Harrington Acres
Watertower
Abbey
Marfitt
WEST
US 127
LAKE LANSING
Rolling Brook
Red Leaf
Ramblewood
Tarleton
Fox Hills
Winchester
Pinecrest
Tamarisk
ABBOT
Harkson
Cricket
Blanchette
Farwood
Bessemaur
Gainsborough
Loree
Fairoaks
Wolf
Gilcrest
Stonewood
Woodingham
Lake Side
Whitman
I-127
Chatwell Carr
Longfellow
Whittier
SAGINAW
Clarendon
Oxford
Northlawn
Whitehills
Hickory
Old
Alton
Centerlawn
Southlawn
Forest
Camelot
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Harbor Bay Ventures
in partnership with The Ballein Family
3412 Commercial Avenue · Northbrook, IL 60062

April 22, 2026

Landon Bartley, AICP
Principal Planner
City of East Lansing Planning & Zoning Division
410 Abbot Road
East Lansing, MI 48823

Via email: *lbartley@cityofeastlansing.com*

Re: April 22, 2026 Planning Commission Agenda / Ordinance 1559 (Diverse Housing Amendments)

Dear Mr. Bartley and Members of the Planning Commission:

We are writing in advance of tonight's Planning Commission meeting to respectfully share some observations regarding the staff recommendation on Ordinance 1559. Our purpose in writing now is simply to put on the record, constructively and in good faith, a small number of concerns we think the Commission should have the opportunity to consider before it votes.

A brief note on context. As the Commission knows, The Howard is a direct response to the policy framework the City adopted unanimously in November 2024 through Ordinance 1536. The combination of mass timber construction and LEED Gold certification is projected to add over $8 million in construction premium to the project relative to conventional steel-and-concrete construction. To date, we have already incurred over $1 million in design and engineering costs on this exceptionally rare project, and we have engaged specialty structural engineers, fire and code consultants, sustainability consultants, architects, and over 36 local and regional labor and subcontractor partners who take great pride in building a project of this rarity. We filed an initial application in October 2025, took the Zoning Board of Appeals' feedback to heart, redesigned the project to work by-right within the 1536 framework, and re-submitted on March 4, 2026. On March 20, 2026, we administratively confirmed that the project meets the mass timber and LEED Gold criteria to reach twelve stories by-right. City staff concurred. We have acted in good faith at every step, and we intend to continue doing so.

We say all of that not to make this letter about our project, but to make clear the spirit in which we are writing. We are not trying to pick a fight. We are trying to build something that advances the policy objectives the City has publicly championed, and we want to do so in a way that honors the ordinance framework the City has itself put in place. What we are respectfully asking the Commission to consider, before tonight's vote, are several observations that, on careful reading of the public record, we think warrant the Commission's attention.

First: the relocation of the diverse housing requirement appears in the public record for the first time in the April 22 staff report. Ordinance 1559 as introduced by Council on February 17, 2026 addressed fee-in-lieu mechanics, credit transfers, and related administrative provisions. The March 25 public hearing addressed the ordinance as introduced. The April 8 Planning Commission discussion and the accompanying April 8 Agenda Item Report, which is included in tonight's packet, contain no reference to relocating Section 50-94(b)(4)e. out of the Special Use Permit section, no reference to Article VII or Division 8, and no reference to the "unintentional result" argument that now serves as the stated justification for the change. The provision appears in the public record for the first time in the April 22 staff report, posted four days before the vote. Property owners and developers who monitored the public process had no notice that this provision was under consideration.

Second: the proposed changes would materially affect property owners across the full DDA, not only west of Collingwood. Recommendation No. 6 of the staff motion would provide that "the diverse housing requirement shall apply to all properties within the district boundaries of the City of East Lansing Downtown Development Authority, as amended." Read together with the relocation in Recommendation No. 1, the effect is twofold. Property owners *east of Collingwood*, who for the nine years since Ordinance 1384 was adopted have not been subject to the diverse housing requirement, would become newly subject to it, based on geography alone. Property owners *west of Collingwood*, who under current code have a by-right pathway to develop up to eight stories under base B-3 zoning without triggering the diverse housing requirement, would lose that pathway. The by-right pathway under 1384 has existed for nearly a decade. On the March 17, 2026 City Council record, city staff, the Mayor, and the City Attorney expressly acknowledged that pathway. Its elimination is a substantive change, not a technical cleanup.

Third: we are concerned that affected property owners have received no direct notice of these changes. Over the past several days, we have spoken with a number of property owners in the DDA, both east and west of Collingwood, who were not aware of the provisions being recommended for a vote tonight. The absence of direct notice to materially affected property owners is a concern we believe merits serious consideration. We acknowledge that the City may have followed all legally required notice procedures, and we are not in a position to make any legal conclusions on that question. We do think, however, that a motion with effects of this magnitude, on hundreds of property owners, in ways that substantially alter what they can build on their own land, warrants the kind of open public discussion that the other provisions of Ordinance 1559 received at the March 25 and April 8 meetings.

Fourth: the interaction among Ordinances 1384, 1536, and 1559 as recommended creates a tension the Commission should have the opportunity to address openly. Ordinance 1384, adopted in 2016, is titled "An Ordinance to Establish Special Use Standards for Multiple Family Dwellings." The diverse housing requirement was placed, deliberately, inside the Special Use Permit section of the code at that time. Ordinance 1536, adopted unanimously in 2024, created a by-right path for mass timber and LEED Gold construction, with the express intent of incentivizing sustainable building. The characterization in the April 22 staff report, which describes the current state of affairs as an "unintentional result" of 1536, does not fully capture the record. The SUP-based gating of the diverse housing requirement is a feature of 1384's deliberate 2016 structure, not

a side-effect of 1536. We think the Commission deserves the opportunity to deliberate on whether the recommended relocation is consistent with, or in tension with, the policy goals of the ordinance it adopted unanimously seventeen months ago.

Our respectful request. We are not asking the Commission to reject Ordinance 1559 or to reopen issues that have been properly noticed and deliberated. The fee-in-lieu provisions, the credit transfer mechanics, the administrative provisions: those were introduced in February, noticed to the public, discussed at two meetings, and are properly before the Commission for a vote. We are asking the Commission to consider **postponing the portion of the motion that relocates Section 50-94(b)(4)e. and expands its geographic scope**, so that these specific provisions, which appear in the public record for the first time tonight, can receive the notice, public hearing, and public discussion that provisions of this magnitude ordinarily receive. A postponement on that narrow question costs the City very little. It allows the rest of Ordinance 1559 to proceed. It honors the open process this Commission is known for. And it gives affected property owners across the DDA, on both sides of Collingwood, a fair opportunity to understand and respond to the changes before they take effect.

We plan to attend tonight's meeting and to offer brief public comment. We will also be before the Commission on May 13 to continue discussion of The Howard. We share this letter in advance so the Commission understands the spirit in which we are approaching the City's policy framework: as builders who have relied, at substantial cost, on the ordinances the City has adopted, and who want to continue building here. We cannot do that if the ordinances the City has adopted are used to undermine one another. Our hope is that the Commission can help preserve the framework the City has worked hard to build.

One final observation on context. The staff report itself notes, under Strategic Priorities, that this proposal is responsive to **Goal 9 of the City's strategic priorities: "To increase housing options and affordability by constructing 1,100 housing units over five years."** We take that goal seriously. We would also note that the economic analysis submitted to this Commission on December 17, 2025 by Professor Daniel Shoag of Case Western Reserve University, which is part of the public record, documents the gap between that goal and actual housing production in East Lansing. According to the City's own Comprehensive Plan figures cited in that analysis, East Lansing recorded 6 new housing units in 2022, 14 in 2023, and 2 in 2024. The U.S. Census Bureau's Building Permits Survey for the same period records even fewer. HUD's 2022 Comprehensive Housing Market Analysis for the Lansing/East Lansing region forecast that 1,400 rental units and 1,525 single-family units would be needed between 2022 and 2025 just to meet expected demand. Over that same period, East Lansing permitted a small fraction of those figures. FHFA data show housing prices in the region have nearly doubled since 2015, far outpacing inflation, and East Lansing rents rose 13 percent between February 2024 and September 2025 alone, more than twice the national average over the same period. The Commission has, in its own words, set a goal of 1,100 housing units over five years. The City is not close to that pace. We would respectfully suggest that this is not a moment for new regulatory layers that could further slow housing production in the DDA, particularly when the proposed layers conflict with existing ordinances the City has recently adopted to encourage it. The Howard represents 296 residential units, more than a quarter of the City's five-year goal, delivered through a single sustainable-construction project that the

City's own incentive framework under Ordinance 1536 was designed to make possible. We think the Commission should have the chance to weigh the recommended changes against that broader context.

We respect the Commission's time and the deliberate process it takes with difficult questions. We are grateful for the Commission's attention to these observations, and we look forward to participating in the public discussion tonight and again on May 13.

Respectfully,

Mark Bell
CEO, Harbor Bay Ventures

Greg Ballein
The Ballein Family

cc: Members of the East Lansing Planning Commission; City Staff