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July 22, 2021

## **HONORABLE CITY COUNCIL**

**RE:** Request of the American Community Developers, Inc. to amend Chapter 50 of the 2019 Detroit City Code, Zoning, by amending Article XVII, Zoning District Maps, Section 50-17- 2, District Map No. 1 to change the current zoning classification from a PD (Planned Development District) to an SD2 (Special Development District, Mixed-Use) for the property commonly identified as 1601 Bagley Street bounded by Bagley Street, Trumbull Street, Labrosse Street and Rosa Parks Boulevard to redevelop the site for new mixed-use, multi-unit apartments. **(RECOMMEND APPROVAL)**

## **NATURE OF REQUEST**

The City Planning Commission (CPC) has received the request of the American Community Developers Inc. to rezone land at 1601 Bagley in order to facilitate the redevelopment of that site. The developer has requested a rezoning to SD2 (Special Development District, Mixed-Use) for the property and CPC staff offered the alternative of R5 (Medium Density Residential District). Both options were explored as part of the processing of this request and the CPC voted to recommend approval of SD2 for the subject site.

## **BACKGROUND**

In the fall of 1984, the City Council approved Ord. No. 596-H effectuating the rezoning of the Clement Kern Gardens (CKG) property from the M3 (General Industrial District) zoning classification to a PD zoning classification. The site is the former Parcel 1 of the Westside Industrial #1 Urban Renewal project area. At the time of adoption, the City sold the land to the Clement Kern Gardens Limited Dividend Housing Association Limited Partnership to develop the property with low-rise medium-density housing.

More recently, in March 2019, the Planning and Development Department (PDD) launched the Greater Corktown Neighborhood Framework Study with the goal to “create a short and long-term plan that promotes inclusive & equitable growth of Detroit’s oldest established neighborhood, while preserving its unique character, cultural heritage & integrity.” A series of workshops were held from September 2019 to January 2020. Between January 2020 and October 2020, the framework documentation was drafted after numerous open houses, virtual meetings, community conversations, and large meetings.

The framework plan incorporates a housing and neighborhood development strategy to accommodate new housing demand and ensure zero displacement of at-risk residents, and to invest in housing stock through owner-occupied rehab.

To accomplish this, the implementation plan identifies publicly owned vacant land to allow for mixed-income development (rental and home ownership), identifies an established mixed-income developer, and updates the zoning to permit higher density units. The overall housing plan calls for the creation of 841 new construction mixed-income units to be built on four sites across Greater Corktown. Some of the units will be for rent and some for sale with a spectrum of affordability between 30% to 80% AMI.

In 2020, the City of Detroit entered into the Choice Neighborhoods Initiative (CNI) grant application. After a highly competitive process, the Department of Housing and Urban Development recently awarded the City of Detroit \$30 million in grant funds through the CNI program. The goal of the grant is create new housing opportunities, while also ensuring the continuation of affordable units in the neighborhood. The Clement Kern Gardens (CKG) site is one of the CNI funding target projects.



## **PROPOSAL**

Today, the developer, American Community Developers, Inc. (ACD) is requesting a rezoning from PD to SD2 to redevelop the 8.93 acre site and allow for varying housing typologies including town-home and multi-unit apartments ranging from studios to three-bedroom apartments.



The unit prices will range from 30% to 80% of the area median income (AMI). The rent and income will be restricted for a minimum of 30 years. The development is planned to take place in three phases, with each phase hosting approximately 180 units. Residents that currently reside at CKG will be assisted with relocation expenses and logistics while each phase is under construction. Once each phase of construction is completed, those residents will then have the option to return to the newly constructed CKG housing, or permanently relocate to other available units within the Greater Corktown area. The CNI grant will fund the affordable units, relocation, and supportive services to residents of the site. The CNI grant has a six-year implementation period.



Greater Corktown Framework study image

## SURROUNDING ZONING AND LAND USE

The zoning classification and land uses surrounding the subject area are as follows:

**North:** B2; Residential homes

**South:** M3; LIFT, Detroit Building Trades Council, The Composites Institute, Scale-Up Research Facility at Corktown

**East:** R3; Residential, Hello Records music store, Reyes-Finn gallery

**West:** M2; Industrial buildings

## **COMMUNITY OUTREACH AND PUBLIC HEARING RESULTS**

ACD has been working on community outreach for this project since early 2020 with the residents at CKG. There were three onsite meetings in summer 2020 over the course of several months. The Housing and Revitalization Department (HRD) and PDD participated in those community meetings. One-on-one meetings with adjacent property owners, phone calls, and door-to-door canvassing were also performed. Another community meeting was held on June 22, 2021. Of all of those that spoke, the general sentiment was supportive of the project.

During the public hearing, there were two people that spoke in support of this proposal and one that spoke in opposition. One of those people that spoke in support during the public hearing was Council Member Castaneda-Lopez. Additionally, there were six letters of support, and one letter of opposition (submitted by the same speaker that spoke in opposition). The person that spoke in opposition is an owner of a commercial/industrial property south of the subject site, who is opposed due to increased traffic, density and parking concerns.

## **ANALYSIS**

The purpose of the SD2 district is to encourage a complimentary mix of more intensive pedestrian and transit oriented uses. The SD2 district allows for structures with commercial/retail space on ground floor with housing units on upper-floors.

The SD2 district permits 57 by-right residential, civic, retail and commercial, and manufacturing uses. Additionally, there are 35 conditional uses, which require a public hearing at the Buildings, Safety Engineering, and Environmental Department (BSEED).

The developer seeks to rezone to SD2 due mainly to the dimensional standards permitted by SD2, as well as the permitted mix of uses that may be desired on the Trumbull and Rosa Parks street frontages.

The SD2 district allows for a base height of 45 feet if there is no retail or commercial use in the building and 60 feet if the development is mixed-use. Additionally, where a lot fronts on a right-of-way which is more than 60 feet wide and where the outermost point of the proposed mixed-use building is at least forty feet from all R1, R2, and R3 Districts, the maximum height may be increased one foot for each one foot of right-of-way width greater than 60 feet. For this site, the standard could be applied on the Trumbull Street frontage. The SD2 district also allows many commercial, retail, and low-impact manufacturing uses.

It is expected that, if the subject site is rezoned to SD2, no variances will be necessary, allowing for the developer to meet their proposed timeline, to submit an application for an October 2021 round for the Michigan State Housing Development Authority Low Income Housing Tax Credit funding.

## **APPROVAL CRITERIA**

According to the Approval Criteria of Sec. 50-3-70 of the Zoning Ordinance:

*(1) Whether the proposed amendment corrects an error or meets the challenge of some changing condition, trend or fact:*

The proposed amendment responds to the changing condition of the current CKG housing development's need to be updated. The change in zoning from PD to SD2 will permit the developer to meet the deadline for a fall funding round of tax credits applications. The new

zoning will also permit some flexibility for the developer to respond to volatile market conditions, continue engagement with neighbors, and respond to design feedback.

*(2) Whether the proposed amendment is consistent with the Master Plan and the stated purposes of this Zoning Ordinance:*

The subject site is located in the Corktown area of Neighborhood Cluster 4 of the Master Plan of Policies (MP). The current future general land use designation is Low/Medium Density Residential (RLM). The Planning and Development Department has submitted a letter stating the consistency of this proposal with the City's MP.

*(3) Whether the proposed amendment will protect the health, safety, and general welfare of the public:*

The rezoning will permit for new housing types, which will allow for more affordable units when leveraged with the CNI grant that the City has garnered. This adds to the general welfare of this community by ensuring that the rising housing costs of Corktown will not cause displacement of current residents. The affordable housing options will create a place for residents of all income levels going into the future.

*(4) Whether the City and other service providers will be able to provide adequate public facilities and services to the subject property, while maintaining adequate levels of service to existing development:*

As new developments are proposed, the City will work with developers to evaluate service needs. Generally, the proposal will not negatively impact the levels of service to existing development. In some cases, developers may be expected to invest in infrastructure for the sites which they develop. Generally, service providers will be able to provide services subsequent to this project.

*(5) Whether the proposed rezoning will have significant adverse impacts on the natural environment, including air, water, soil, wildlife, and vegetation and with respect to anticipated changes in noise and regarding stormwater management:*

The proposed rezoning is not anticipated to have adverse impacts on the natural environment.

*(6) Whether the proposed amendment will have significant adverse impacts on other property that is in the vicinity of the subject tract:*

The proposed development is expected to add to the broader scope of housing being provided across Corktown. It is expected to have a positive impact on surrounding property by creating more affordable units.

*(7) The suitability of the subject property for the existing zoning classification and proposed zoning classification:*

The subject property is suitable for the SD2 zoning classification that is being proposed. The amendment from PD will allow the site to be governed under a base zoning district and be nimble enough to adjust to changing conditions in the volatile construction market and respond to the thresholds of the CNI grant in the six years that are allotted.

*(8) Whether the proposed rezoning will create an illegal "spot zone:"*  
The proposed rezoning will not create an illegal spot zone.

## CONCLUSION

As it relates to the possibility of retail or commercial activity on the subject site, the developer has submitted a Regulatory Agreement that is entered into with the developer and Department of Consumer and Industry Services for the Michigan State Housing Development Authority Low Income Housing Tax Credit (LIHTC). Under this agreement, the developer has offered that another level of assurance exists beyond zoning, to ensure the site will largely remain as housing. According to the agreement, there is a requirement that the developer enter into a restrictive covenant committing to the site remaining as an affordable housing development in exchange for LIHTC funding.

**RECOMMENDATION**

At its regularly held meeting of July 8, 2021 following the public hearing and its deliberations the City Planning Commission took same day action and voted to **recommend approval** of the proposed rezoning from a PD zoning classification to an SD2 zoning classification.

Respectfully submitted,



Marcell R. Todd, Jr., Director  
Kimani Jeffrey, City Planner

Cc: Katy Trudeau, PDD Acting Director  
Karen Gage, PDD  
Greg Moots, PDD  
David Bell, Director, BSEED  
Lawrence Garcia, Corp. Counsel  
Donald Rencher, Group Executive for Housing, Planning and Development  
Nicole Sherard-Freeman, Group Executive of Jobs, Economy and Detroit at Work

## SUMMARY

An ordinance to amend Chapter 50 of the 2019 Detroit City Code, *Zoning*, by amending Article XVII, Zoning District Maps, Section 50-17- 2, *District Map No. 1* to revise the existing PD (Planned Development District) zoning classification to the SD2 (Special Development District, Mixed-Use) zoning classification for the property commonly identified as 1601 Bagley Street bounded by Bagley Street, Trumbull Street, Labrosse Street and Rosa Parks Boulevard.

**BY COUNCIL MEMBER \_\_\_\_\_ :**

**AN ORDINANCE** to amend Chapter 50 of the 2019 Detroit City Code, *Zoning*, by amending Article XVII, Zoning District Maps, Section 50-17- 2, *District Map No. 1* to revise the existing PD (Planned Development District) zoning classification to the SD2 (Special Development District, Mixed-Use) zoning classification for the property commonly identified as 1601 Bagley Street bounded by Bagley Street, Trumbull Street, Labrosse Street and Rosa Parks Boulevard.

**IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:**

**Section 1.** Chapter 50 of the 2019 Detroit City Code, *Zoning*, Article XVII, *Zoning District Maps*, Section 50-17- 2, *District Map No. 1*, is amended as follows:

**CHAPTER 50. ZONING**

**ARTICLE XVII. ZONING DISTRICT MAPS**

**Section 50-17-2, *District Map No. 1***

For the property commonly identified as 1601 Bagley Street, bounded by Bagley Street, Trumbull Street, Labrosse Street and Rosa Parks Boulevard, and legally described as:

Lots 43 through 61, both inclusive, of the WEST SIDE INDUSTRIAL SUBDIVISION NO. 2, of part of Private Claims, 22,23,24,27,246,248, and 727, City of Detroit, Wayne County, Michigan, as recorded in Liber 86, Pages 39 and 40 of Plats, Wayne County Records, Also that part of vacated 10th Street contained within the bounds of said property, which property is more particularly described as follows: Beginning at the intersection of the Northerly right-of-way of LaBrosse Street (50 feet wide) and the Easterly right-of-way line of 12th Street (120 feet wide); thence North 22 degrees 33 minutes 26 seconds West along said Easterly right-of-way line of 12th Street, a distance of 383.06 feet (recorded as 384.42 feet) to a point in the Southerly right-of-way line of Bagley Avenue (60 feet wide);



thence North 67 degrees 44 minutes 13 seconds East along said Southerly right-of-way line of Bagley Avenue, a distance of 706.75 feet (recorded as 706.41 feet); thence North 60 degrees 18 minutes 14 seconds East (recorded as North 60 degrees 01 minutes 30 seconds East) and continuing along said Southerly right-of-way line of Bagley Avenue, a distance of 508.97 feet (recorded as 508.64 feet) to a point in the Westerly right-of-way line of Trumbull Avenue (100 feet wide); thence South 29 degrees 49 minutes 55 seconds East (recorded as South 30 degrees 00 minutes 00 seconds East) along said Westerly right-of-way line of Trumbull Avenue, a distance of 286.13 feet (recorded as 285.86 feet) to a point in the Northerly right-of-way line of aforementioned LaBrosse Street; thence South 60 degrees 11 minutes 19 seconds West (recorded as South 60 degrees 00 minutes 00 seconds West) along the Northerly right-of-way line of said LaBrosse Street, a distance of 1258.07 feet (recorded as 1258.41 feet) to the Point of Beginning,

the existing PD (Planned Development District) zoning classification is revised to the SD2 (Special Development District, Mixed-Use) zoning classification.

**Section 2.** All ordinances or parts of ordinances in conflict with this ordinance are repealed.

**Section 3.** This ordinance is declared necessary for the preservation of the public peace, health, safety and welfare of the people of the City of Detroit.

**Section 4.** This ordinance shall become effective on the eighth (8<sup>th</sup>) day after publication in accordance with Section 401 (6) of Public Act 110 of 2006, as amended, M.C.L. 125.3401 (6), and Section 4-118, paragraph 3 of the 2012 Detroit City Charter.

Approved as to form:

  
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**Charles N. Raimi**  
Deputy Corporation Counsel