

THE NECESSARY EVOLUTION OF LOCAL CONTROL

Michigan Housing Readiness HB 5529-5532, HB 5581-5585

Zoning has evolved in the last 60 years from the basic ordering of neighborhoods and communities, separating incompatible uses -- to the creation of exclusionary zoning through large lots, low density, and complex, often discriminatory, rules and approvals. Numerous studies show zoning is now the primary driver of keeping the cost of housing well above the cost of construction. [House Bills 5529-5532](#) and [5581-5585](#) are a necessary step to bringing down that cost.

This legislation is targeted and limited and preserves local control of:

- ✓ zoning and land use decisions
- ✓ development and planning process including master plan development
- ✓ setting zoning districts and rezoning
- ✓ site plan review
- ✓ special use permits
- ✓ planned unit developments
- ✓ land divisions
- ✓ the myriad ancillary rules contemplating landscaping, building height, basic design criteria, and roads and utilities

Minimum-lot-size rules are among the most responsible for blocking development and increasing housing costs through use of expensive land and infrastructure...keeping smaller more cost-effective housing out. [HBs 5529](#) and [5530](#) effectively remove lot size from the equation, setting a minimum lot size of 1,500 square feet. Lot sizes should be what the market calls for, allow reasonable development and construction costs, and promote lower resulting sale prices. All other zoning rules still control what uses are allowed, landscape and buffers, massing, height and design, and the approval process for any development.

Maximum-density rules with large setbacks that exclude all but single-family homes on a lot also unnecessarily restrict building supply and can account for up to 40-percent of housing costs. Three bills address that issue:

- ✓ [HB 5584](#) allows duplexes in single-family zones, subject to reasonable setback, lot coverage, parking, and dimensional standards
- ✓ [HB 5583](#) sets reduced minimum setbacks for areas in or adjacent to Metropolitan Statistical Areas, allowing development density appropriate to areas with existing and in-demand development where centralized services and utilities can be expected.
- ✓ [HB 5585](#) allows accessory dwelling units (ADUs) as a permitted use in all residential zones subject to rules on size and setbacks.

ADUs are an immediate way to address demand for multigenerational and senior housing, increasing density without changing the look of existing neighborhoods. Again, all other zoning rules still control what uses are allowed, massing, and the approval process for any development. Design standards in zoning ordinances address landscaping, screening and buffers, lot coverage, alignment and garage orientation, roof design, and height.

Minimum dwelling size rules are often used in tandem with minimum lot sizes to artificially inflate development and building costs and to exclude housing deemed inappropriate. [HB 5581](#) allows the market to determine house size, the same way as lot size, by setting a minimum area of no greater than 500 square feet for a dwelling. [HB 5582](#) also prohibits the exclusion of federal HUD-code manufactured homes on residential lots.

Smaller houses on smaller lots allow people to live in the same neighborhood where they grew up and allow seniors to downsize without leaving their communities. Maintaining a variety of price points ensures the neighborhood remains stable across generations, protecting everyone's investment.

The question is raised, "Won't a small house on a small lot decrease the value of my large house on a large lot?" There are several reasons that is not the likely outcome. Decades of urban planning research show that modest increases in density (like ADUs or smaller lot sizes) have either a neutral or positive effect on surrounding property values. Not a single U.S. study has found that this kind of density negatively impacts nearby single-family homes or rental properties.

People conflate "smaller houses" with "poorly maintained houses." Small-lot homes today are often new construction with modern amenities and design features. They attract "missing middle" buyers – teachers, nurses, and young professionals – who are invested in the community.

Required parking unnecessarily uses valuable land and increases building and development costs. In one study, required parking at apartment buildings were shown to contribute \$104,000 to the cost of an apartment. [HB 5582](#) prohibits requiring more than one space per dwelling unit for multifamily housing.

Site plan review is the basic process for showing a permitted use meets the other requirements of a zoning ordinance. By requiring extensive studies, local governments dramatically increase time and expense. It is not unusual to require additional studies, even studies of what may have changed since the long approval process began. Opponents of development long ago discovered that a time-consuming and uncertain review process is an effective means to end a project. [HB 5531](#) puts a stop to this disingenuous tactic by setting a reasonable 60 days for review and prohibits additional studies unless needed to address existing requirements or public health or safety concerns.

Supermajority approvals – The Zoning Enabling Act allows immediate neighbors to force a super-majority to approve any change to zoning. Because existing zoning is so often established to prevent development, this super-majority petition allows immediate neighbors to easily block development. [HB 5532](#) brings in more community voices by setting a larger neighborhood that must be included in a protest petition and requiring 60-percent of the neighborhood to join in the protest to require a super-majority to block new housing. The amendment would discourage the current default to NIMBYism: establishing zoning such that rezoning is required for any reasonable development.

Modernizing land-use regulations is crucial to increasing income mobility and economic growth. These bills target those zoning rules that contribute the most to increased costs and offer solutions that can allow needed housing. Local zoning and land use controls and approvals remain and allow local government to exercise planning and zoning control.