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**TO:** City of Ann Arbor Planning Commission

- FROM: Ben Carlisle, AICP Megan Masson-Minock, AICP
- **DATE:** September 11, 2023

**RE:** Proposed Unified Development Code Amendments

It was a pleasure to meet with you on August 8, 2023 to review amendments to the Unified Development Code (UDC) based on your input. For reference to materials from that meeting, please see <u>here</u>.

We are looking forward to meeting with you on September 19, 2023. The purpose of the meeting is for a public hearing on the amendment.

## Action

We ask that you come to your September 19<sup>th</sup> meeting prepared to recommend, recommend with changes or recommend denial of the proposed UDC amendments.

## **Proposed Amendments**

The proposed amendments remove premiums in the D1 and D2 districts, and remove regulation by floor to area ratio (FAR) in the D1 and D2 districts causing height to be the limiting factor on density in those districts. The specific amendments proposed are:

- Remove FAR regulations for the D1 and D2 districts in Table 5.17-4; and
- Remove Section 5.18.6 Premiums

The following regulations are proposed to remain in place:

- Building massing standards (Section 5.17.6A) in the Downtown Character Overlay Zoning Districts
- Building front setback standards (Section 5.17.6B) in the Downtown Character Overlay Zoning Districts

Benjamin R. Carlisle, President Douglas J. Lewan, Executive Vice President John L. Enos, Vice President David Scurto, Principal Sally M. Elmiger, Principal R. Donald Wortman, Principal Paul Montagno, Principal, Megan Masson-Minock, Principal, Laura Kreps, Senior Associate Richard K. Carlisle, Past President/Senior Principal

• 30% height increase for sustainable and affordable housing developments (Section 5.18.4D).

## **Background Information**

At the August 8<sup>th</sup> meeting, Planning Commissioners asked whether the proposed UDC amendments would result in increased residential units in the Downtown. Staff has analyzed 12 previous projects (eight zoned D1 and four zoned D2) to determine whether the proposed amendments would have allowed more residential units to be built. A spreadsheet is in the appendix of this report.

In summary, the analysis found that:

- The proposed amendments will not increase the buildable area for residential buildings since height has been the primary limiting factor on the size of buildings, not FAR. Only three of the projects did not meet or exceed the maximum height for the applicable character district, while 10 of the projects did not achieve the allowed FAR with premiums for their location. The Residence Inn was an outlier, with 90 feet in height below the maximum and 21% FAR below the allowed FAR with premiums. The limitation for that project was its use as a hotel, which did not qualify for a residential premium.
- The proposed amendments will make it easier for petitioners to reach maximum height, since they would no longer need to navigate the premiums process. On average, 230% more in FAR was built over the base FAR per project.
- Under the proposed amendments, Downtown is likely to retain familiar building forms since height will remain the limiting factor and the building massing and front setback standards are not proposed to change.
- The proposed amendments are expected to facilitate constructing buildings at a similar rate of development experienced Downtown between 2014 and 2021, while offering incentives for sustainable and affordable housing developments under Section 5.18.4.D.

## **CWA Experience and Research**

Based on our experience and research on development review processes, we believe that the proposed changes will:

• <u>Increase the number of dwelling units proposed</u>: The proposed amendments will make the process for Downtown development more predictable, efficient, and transparent. Therefore, the number of development proposals will likely increase. In the past two years, site plans for multiple-family residential in dozens of our client communities across southeastern Michigan have increased, and, in many cases, are the dominant land use for new development. With the market demand and financing available favorable to multiple-family residential, we feel a simplified development process to reach maximum density in the D1 and D2 districts will result in an increase in development proposals with more residential units.

City of Ann Arbor UDC Amendments September 11, 2023

Increase the diversity of developers in the Downtown: To qualify for premiums currently, a developer must provide affordable housing and/or achieve LEED certification. In addition, the development approval process can be longer than a standard site plan review. Many developers do not have the experience or the financial backing to provide the amenities required by the premiums and/or risk a longer approval process. With the simplification of the process, we predict that more developers will be able to build in the Downtown.

We look forward to meeting with you on September 19, 2023. Thank you for the opportunity to work with you and the City of Ann Arbor again.

Sincerely,

CARLISLE / ORTMAN ASSOC., INC Benjamin R. Carlisle, AICP, LEED AP President

CARLISLE/WORTMAN ASSOC., INC Megan Masson-Minock, AICP Principal

Appendix

**Previous Project Analysis**