



## MEMORANDUM

**To:** City of Ann Arbor Planning Commission  
**From:** Megan A. Masson-Minock, AICP, Principal  
**Subject:** Downtown Premium Zoning Ordinance Amendments  
**Date:** January 8, 2016

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Please find attached revised zoning ordinance amendments based on input from the Planning Commission, the Housing and Human Services Advisory Board (HHSAB) and the Environmental Commission as well as a technical review.

We will give a short presentation at the work session, to be followed by discussion and then a page by page walk through of the amendments, time allowing. During discussion, we hope to get feedback on the following topics:

- **Parking Amendments:** DDA and staff expressed a desire to help further refine the amendments related to parking the premiums. The DDA is currently undertaking a Transportation Demand Management study and shared there may be other ways to modify the zoning and achieve community transportation goals. We agree and would like to discuss other options, including new, innovative programs.
- **Affordable Housing Linked to Residential Premiums:** While the language proposed passes muster with the legal department, execution in reality will require developers to provide owner-occupied affordable units or rental units developed as part of a public-private partnership, as was done with City Apartments. Current market analysis shows little demand for for-sale affordable housing and a need for rental. The affordable units will be limited to ownership only and may not be built, since a project with affordable for-sale units is likely financially unviable in current market conditions.
- **Green Building Premiums:** The Planning Commission needs to discuss whether the proposed amendments, which are ambitious, reach the tipping point at which developers opt not to use premiums. The intent is for the premiums to be used, and the increased density further contribute to the sustainability of the City overall. Especially if the residential premiums remain linked to affordable units, an easily reached alternative for premiums should be provided in the amendments.

Cumulatively, the amendments for heightened energy efficiency, green building, and affordable housing will require the market to adjust and may be found to be financial unfeasible, at least in the short term. As proposed, these amendments could be criticized as cutting off the nose of the City's sustainability and affordability objectives.

A few Planning Commissioners have asked for equivalents between LEED, ASHRAE reduction and carbon neutrality. The following table gives some context for the requirement for premiums:

<b>Measure</b>	<b>Current requirement for premiums <i>LEED Atmosphere Credit</i></b>	<b>Proposed requirement for premiums <i>2030 Challenge Baseline</i></b>
ASHRAE 90.1-2007	18% improvement for new buildings <sup>1</sup>	25% improvement <sup>2</sup>
LEED v3 2009	1 point under Energy & Atmosphere Credit	6 mandatory points for Energy & Atmosphere <sup>2</sup>

<sup>1</sup> LEED 2009 Energy Performance update, accessed at <http://www.usgbc.org/sites/default/files/LEED%202009%20Energy%20Performance%20Update%20-%20Summary%20of%20changes%20150925.pdf>

<sup>2</sup> Meeting the 2030 Challenge through Building Codes, accessed at [http://www.architecture2030.org/pdfs/2030Challenge\\_Codes\\_WP.pdf](http://www.architecture2030.org/pdfs/2030Challenge_Codes_WP.pdf)

We have looked for and did not find comparisons between improvements above ASHRAE 90.1-2007, carbon reductions using the 2030 Challenge measure and LEED certifications. For your reference, a visual comparison is attached of the proposed and current premium FAR for each measure.

From our memo to you in December, below is a list revisions from the previous draft amendments with page numbers of that document noted in parentheses:

- The 900% FAR with affordable housing is deleted from the Schedule of Area, Open Space and Coverage Requirements: D1 and D2 Downtown Districts (page 2);
- The intent language for premiums has been updated to remove references to pedestrian amenities, historic preservation and parking (pages 4-5);
- For the residential floor area, the term has been changed to “residential usable floor area”, which defined in the Zoning Ordinance as “the measurement of usable floor area for residential uses shall be the sum of the area of the first floor, as measured to the exterior face of the exterior walls, plus that area, similarly measured, of all other stories having more than 90 inches of headroom that are accessible by a fixed stairway and which may be made usable for human habitation; but excluding the floor area of garages, accessory buildings, attics, breezeways and unenclosed porches.” We selected a definition within the zoning code for the sake of clarity (page 7);
- The average median income requirement (AMI) has been changed to 30 to 60 percent, based on input from the Planning Commission and the HHSAB. The HHSAB members had a wide ranging view of what the AMI should be with some advocating for the previously proposed 20 to 80 percent AMI, some very strongly in favor of the traditionally accepted measure for workforce housing (30-60% AMI), and another in favor of eliminating premiums overall and increasing the FAR throughout downtown (page 7);
- The minimum unit size has been increased to 400 square feet. Members of both the Planning Commission and the HHSAB felt the previously proposed 300 square feet was too small (page 7);

- The divisor used to find the number of units for in-lieu payments has been changed from the average size of the units in the building to the minimum unit size of 400 square feet of residential usable floor area. The change was made in response to Planning Commission concerns that the average unit size might change during the review process (page 7);
- The points table for Green Building Premiums has been replaced with text sections assigning FAR premiums levels for on-site carbon neutrality and energy efficiency improvements (pages 8-9);
- A premium for a green or rain-harvesting roof of 0.5 square foot of floor area for each square foot of green roof has been added in response to Planning Commission concerns for incentivizing rain harvesting structures (page 9); and
- Section 5:169. Special parking districts has been added with the deletion of the requirement parking for floor area premiums (pages 13-14).

# Proposed vs. Current

