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Sent: Friday, November 15, 2013 10:30 AM
To: Planning
Cc: 'David Blanchard'; Briere, Sabra; Lumm, Jane; 'Anna Erickson'
Subject: HHSAB Proposed Zoning Resolution Language

In its meeting last night, the Housing and Human Services Advisory Board (HHSAB) approved the attached zoning resolution language (in word and pdf format). It is the request of the HHSAB that this language be discussed at your meeting next Tuesday. Thank you and all the best,

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OFFICE OF COMMUNITY & ECONOMIC DEVELOPMENT

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Proposed Resolution in re: D1 Zoning Revisions

Current D1 zoning having resulted in neither development nor financial commitment to affordable housing being generated from any recent residential developments - including some of the largest Ann Arbor has ever seen.

Although current D1 zoning included a "premium" for affordable housing development designed to encourage and reward development, it has been unsuccessful as an incentive.

Also, recognizing that encouraging a diversity of housing (including affordable housing) is a city priority reflected by City Council as well as by broad public comment received on the current D1 revision process.

HHSAB proposes and recommends that any revision to zoning should modify the premiums as to require building or cash in lieu contribution to affordable housing.

Possible language:

- (i) For purposes of obtaining any premium listed in (_____) above, developments less than 400 FAR shall provide 10% of the total square footage as dwelling units affordable to very low income households. Projects exceeding 400 but less than 700 FAR shall provide 15% of the total square footage as dwelling units affordable to very low income households.
- (ii) Payment in Lieu Formula, Discretion of City Council to Allow. Dwelling units affordable to very low income households shall be provided by the development of units on-site, or through an affordable housing contribution "in lieu of" units. The amount shall be set consistent with a "payment in lieu" formula set by recommendation of the HHSAB annually by the end of March each year and submitted to City Council for approval or rejection.
- (iii) Calculation for Pro Rata Amounts. When the affordable housing requirement results in a fractional unit, the fractional unit shall be converted to an affordable housing contribution in lieu of units, using the following formula: the fraction shall be multiplied by the per-unit affordable housing contribution as determined by the formula adopted annually by City Council.
- (iv) Recommendation of Planning Commission, Approval of City Council required. For each proposed development utilizing a premium to exceed base FAR, the Planning Commission shall recommend approval, approval with conditions, or denial, and City Council, in its sole discretion, may approve or deny payment of an affordable housing contribution in lieu of all or part of units on site.