



MEMORANDUM

TO: Ordinance Revisions Committee
FROM: Julia Shake, Associate Planner and Alexis DiLeo, Principal Planner
DATE: June 25, 2025
SUBJECT: Revisions to Section 5.29.11 PUD Procedures and Standards

Introduction

Staff has identified a number of areas within the current Planned Unit Development (PUD) ordinance that often present applicant difficulty, offer opportunities to streamline the review process, and may align PUD standards more congruently with the current goals, values, and priorities of the City.

Specifically, we narrowed the scope of changes to: standards for district review and PUD benefits, affordable housing requirements, site plan review procedures, and amendment procedures.

Summary of Proposed Areas for Revision

- Change affordable housing from a standard of approval and beneficial effect to only a beneficial effect of the PUD district
- Update beneficial effects that warrant a PUD district
- Remove PUD-specific site plan requirements to align PUD site plan process with that of any site plan
- Alter revision/amendment process for approved PUD districts

Affordable Housingⁱ

Staff propose removing the requirements for affordable housing construction or in-lieu payments as a requirement for increased density in the PUD zoning district Review (Section 5.29.11.F.5) Standards. However, the provision of on-site affordable housing will remain as a beneficial effect, as outlined in the Beneficial Effect section below.

City staff is exploring the removal of the affordable housing requirements in the PUD section in consideration of several factors. In 2020, the City of Ann Arbor passed an affordable housing millage, which now results in all new development supporting affordable housing investments. The Planned Unit Development ordinance is intended to realize benefits/arrangement of the site, and the utilization of the existing payment in lieu language does not directly advance this goal. Additionally, the City Council has made numerous commitments through the use of City-

owned properties to advance affordable housing opportunities, and removing the specific affordable housing requirements from the PUD ordinance can help to facilitate additional housing in other (market-rate) segments.

Beneficial Effectsⁱⁱ

Staff seek to update the beneficial effects that warrant PUD zoning provided in paragraph 1 of the Standards for PUD zoning district review (Section 5.29.11.F) to reflect current city goals and priorities, learn from best practices from peers, and provide for more clarity in the PUD process for review of what meets the threshold of a PUD.

Potential revised and new beneficial effects may include the following and are included here to serve as an initial point of discussion with the ORC (Note: The following list is adapted from the City of Troy's PUD Standards which have been recently updated):

1. A **mixture of land uses** that would otherwise not be permitted without the use of the PUD provided that other objectives of this Article are also met.
2. A **public improvement or public facility** (e.g. recreational, transportation, safety and security) which will enhance, add to or replace those provided by public entities, thereby furthering the public health, safety and welfare.
3. A **recognizable and material benefit to the ultimate users of the project** and to the community, where such benefit would otherwise be infeasible or unlikely to be achieved absent these regulations.
4. **Long-term protection and preservation of natural resources, natural features, and historic and cultural resources**, of a significant quantity and/or quality in need of protection or preservation, and which would otherwise be unfeasible or unlikely to be achieved absent these regulations.
5. A compatible **mixture of preserved natural areas, open space, landscaped areas, and/or pedestrian amenities**.
6. **Appropriate land use transitions** between the PUD and surrounding properties.
7. Design features and techniques, such as **green building, low impact design, low carbon and carbon neutral building materials** which will promote and encourage energy conservation and sustainable development.
8. **Innovative and creative site and building designs, solutions and materials**.
9. The desirable qualities of a dynamic urban environment that is **compact, designed to human scale, and exhibits contextual integration** of buildings and city spaces.
10. The PUD will reasonably **mitigate impacts to the transportation system and enhance non-motorized facilities and amenities**.
11. For the **appropriate assembly, use, redevelopment, replacement and/ or improvement of existing sites** that are occupied by obsolete uses and/or structures.
12. Inclusion of **on-site affordable housing by mission-based providers**.
13. A **reduction of the impact of a non-conformity** or removal of an obsolete building or structure.

14. A development consistent with and meeting the intent of this Article, which will promote the intent of the Comprehensive Plan or the intent of any applicable corridor or sub-area plans. If conditions have changed since the Plan, or any applicable corridor or sub-area plans were adopted, the uses shall be consistent with recent development trends in the area.
15. Includes all necessary information and specifications with respect to structures, heights, setbacks, density, parking, circulation, landscaping, amenities and other design and layout features, exhibiting a due regard for the relationship of the development to the surrounding properties and uses thereon, as well as to the relationship between the various elements within the proposed Planned Unit Development. In determining whether these relationships have been appropriately addressed, consideration shall be given to the following:
 - a. The bulk, placement, and materials of construction of the proposed structures and other site improvements.
 - b. The location and screening of vehicular circulation and parking areas in relation to surrounding properties and the other elements of the development.
 - c. The location and screening of outdoor storage, loading areas, outdoor activity or work areas, and mechanical equipment.
 - d. The hours of operation of the proposed uses.
 - e. The location, amount, type and intensity of landscaping, and other site amenities.
16. Innovative methods of stormwater management that enhance water quality shall be considered in the design of the stormwater system.
17. The proposed Planned Unit Development shall be in compliance with all applicable Federal, State and local laws and ordinances, and shall coordinate with existing public facilities.

Planned Unit Development (PUD) Site Planⁱⁱⁱ

Staff proposes removing specific requirements for PUD site plan review provided in Section 5.29.11.H, by striking this section from the text of the UDC. In its place, staff recommend that PUD site plans follow the general site plan review process as outlined in Section 5.29.6.

Under the current ordinance, the PUD site plan review process has some minor distinctions from that of all other site plans. Staff propose this simplification such that all site plans follow the same process in order to streamline the development review timeline. Additionally, minor changes to site plans in PUDs currently require multiple steps, up to and including Council review. It is Staff's intention that all site plan changes across both PUD and other zoning districts should require the same procedural requirements.

Amendments and Changes to PUD Districts^{iv}

Staff propose revisions to Section 5.30.5 Changes to PUD zoning district to include a distinction between minor and major changes to an existing PUD.

Currently, any type of change to the approved supplemental regulations requires all current parcel owners to authorize such application. Similarly, the current ordinance does not make a distinction based upon the level or scale of the solicited change and in all cases requires a new PUD application and the completion of all required steps, regardless of their impact. This proposed revision seeks to simplify and streamline this process for both applicants and staff.

The proposals and draft language below are included to serve as an initial point of discussion with the ORC:

- **That unless a change is minor, a new approval process will be required for PUD site plans and rezoning.**

Draft language reflecting this proposal could read as follows:

Except as provided in the subsection below relating to minor changes to the PUD zoning district, any modifications, additions, or expansions to an approved Planned Unit Development zoning district shall require separate review and approval under the process provided for establishment of a PUD zoning district in Section 5.29.11 or by rezoning to a different zoning district pursuant to the procedures in Section 5.29.10.

- **Add in a process to distinguish minor and major changes. A minor change would follow a shortened, less onerous review process, and have different application requirements.**

Draft language reflecting this proposal could read as follows:

A minor change is any change in an approved PUD zoning district which is consistent with the standards and conditions applying to the PUD permit and which does not alter the concept or intent of the PUD. A minor change shall not increase the Planned Unit Development's density, increase the height of buildings, reduce open space, modify the proportion of housing types, change or add new parking areas, alter alignment of roads, utilities or drainage, amend final development agreements, provisions or covenants, or provide any other change inconsistent with any standard or condition imposed by the Approving Body in approving the Planned Unit Development permit.

Minor changes shall follow the requirements for a new PUD zoning district except in that minor changes may be requested by any single property owner within a PUD zoning district and do not require authorization of all property owners within the PUD. Minor changes do not require a Pre-Application Conference with Planning Commission, do not require Citizen Participation, and may not require a new site plan review.

ⁱ Currently, the provision of affordable housing or an in-lieu payment is addressed in Section 5.29.11.F.5 and reads as follows:

5. If the proposed district allows residential uses, the residential density proposed shall be consistent with the residential density recommendation of the master plan, or the underlying zoning when the master plan does not contain a residential density recommendation, unless additional density has been proposed in order to provide affordable housing dwelling units in the following manner:
 - a. For proposed PUD projects exceeding the residential density recommendation of the master plan by up to 25%, the PUD project shall provide 10% of the total dwelling units as affordable housing dwelling units or 15% when exceeding by more than 25%. When the master plan does not contain a residential density recommendation and the proposed PUD project exceeds the FAR of the underlying zoning by up to 25%, the proposed PUD project shall provide 10% of the floor area as affordable housing dwelling units or 15% when exceeding by more than 25%.
 - b. Affordable housing dwelling units shall be provided by the development as units on-site, or payment of an affordable housing contribution in lieu of units consistent with the formula adopted by annual resolution of City Council, or by a combination of affordable housing development and contributions. When a number of affordable housing dwelling units is required, the payment in lieu shall be based on the average size of all dwelling units in the PUD project.
 - c. When the required percentage of affordable housing results in a fractional unit, either a whole affordable housing dwelling unit shall be provided or a payment of an affordable housing contribution in lieu shall be made for the fractional unit based on the following formula: (average floor area of all dwelling units in the PUD project) x (fractional unit) x (contribution in lieu payment).
 - d. 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 units.
 - e. Provisions to implement the affordable housing proposal shall be included in the PUD Supplemental Regulations or the Development Agreement, or both, as determined by the City.

ii Currently, Section 5.29.11.F outlines the standards for PUD Zoning District Review as follows:

F. Standards for PUD Zoning District Review

The Planning Commission shall recommend approval, approval with conditions, or denial, and City Council shall approve or deny the proposed PUD zoning district based on the following standards:

1. The use(s), physical characteristics, design features, or amenities proposed shall have a beneficial effect for the City, in terms of public health, safety, welfare, aesthetics, or convenience, or any combination of those impacts, on present and potential surrounding land uses. The beneficial effects for the City that warrant the zoning include, but are not limited to, features such as:
 - a. Innovation in land use and variety in design, layout and type of *structures* that furthers the stated design goals and physical character of adopted land use plans and policies.
 - b. Economy and efficiency of land use, natural resources, energy, and provision of public services and utilities.
 - c. Provision of *open space*.
 - d. Preservation and protection of *natural features* that exceeds the requirements of this chapter, especially for those *natural features* prioritized in this chapter as being of highest concern, or that preserves existing conditions instead of merely providing mitigation.
 - e. Employment and shopping opportunities particularly suited to the needs of the residents of the City.
 - f. Expansion of the supply of *affordable housing dwelling units*.
 - g. The use and reuse of existing *sites* and *buildings* that contributes to the desired character and form of an established neighborhood.
2. This beneficial effect for the City shall be one that could not be achieved under any other zoning classification and shall be one that is not required to be provided under any existing standard, regulation or ordinance of any local, state or federal agency.
3. The use or uses proposed shall not have a detrimental effect on public utilities or surrounding properties.
4. The use or uses proposed shall be consistent with the master plan and policies adopted by the City or the *applicant* shall provide adequate justification for departures from the approved plans and policies.
5. If the proposed district allows residential uses, the residential density proposed shall be consistent with the residential density recommendation of the master plan, or the underlying zoning when the master plan does not contain a residential density recommendation, unless additional density has been proposed in order to provide *affordable housing dwelling units* in the following manner:
 - a. For proposed PUD projects exceeding the residential density recommendation of the master plan by up to 25%, the PUD project shall provide 10% of the total *dwelling units* as *affordable housing dwelling units* or 15% when exceeding by more than 25%. When the master plan does not contain a residential density recommendation and the proposed PUD project exceeds the FAR of the

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- underlying zoning by up to 25%, the proposed PUD project shall provide 10% of the *floor area* as *affordable housing dwelling units* or 15% when exceeding by more than 25%.
- b. *Affordable housing dwelling units* shall be provided by the *development* as units on-site, or payment of an affordable housing contribution in lieu of units consistent with the formula adopted by annual resolution of City Council, or by a combination of affordable housing development and contributions. When a number of *affordable housing dwelling units* is required, the payment in lieu shall be based on the average size of all *dwelling units* in the PUD project.
 - c. When the required percentage of affordable housing results in a fractional unit, either a whole *affordable housing dwelling unit* shall be provided or a payment of an affordable housing contribution in lieu shall be made for the fractional unit based on the following formula: (average *floor area* of all *dwelling units* in the PUD project) x (fractional unit) x (contribution in lieu payment).
 - d. 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 units.
 - e. Provisions to implement the affordable housing proposal shall be included in the PUD *Supplemental Regulations* or the Development Agreement, or both, as determined by the City.
6. The *Supplemental Regulations* shall include analysis and justification sufficient to determine what the purported benefit is, how the special benefit will be provided, and performance standards by which the special benefit will be evaluated.
 7. Safe, convenient, uncongested, and well-defined vehicular and pedestrian circulation within and to the district shall be provided and, where feasible, the proposal shall encourage and support the use of alternative methods of transportation.
 8. Disturbance of existing *natural features*, historical features and historically Significant Architectural features of the district shall be limited to the minimum necessary to allow a reasonable use of the land and the benefit to the community shall be substantially greater than any negative impacts.

ⁱⁱⁱ Currently, Section 5.29.11.H outlines the Planned Unit Development (PUD) Site Plan review requirements and process and reads as follows:

H. Planned Unit Development (PUD) Site Plan

1. Requirement

An approved PUD site plan shall be required before applicable permits may be issued for any form of construction or removal or disturbance of any natural feature for all planned unit developments.

2. Procedure for PUD Site Plan Review

- a. The applicant for PUD site plan approval shall file with the Planning Manager all drawings and other materials required for site plans in Section 5.29.8; all drawings and other materials required in this chapter for PUD zoning district approval; and the additional information listed below. A PUD site plan application shall not be considered technically complete and filed until all drawings and other required materials have been submitted and may be rejected if the materials submitted are inadequate to make the foregoing determinations.
- b. The applicant for a PUD site plan approval shall file a Development Agreement as described in Section 5.28.6.
- c. Before submitting a site plan application for formal review, the applicant shall comply with the requirements for citizen participation in Section 5.28.4.
- d. Before submitting a petition, the applicant shall contact the Planning Manager to schedule a pre-petition conference. At the conference the applicant shall present the proposed PUD site plan and PUD Development Program. The staff may provide the applicant with their comments regarding compliance with required site plan information, the appropriate approving body, and the type of citizen participation required.
- e. If requested by the Planning Commission or City Council, additional graphics, models, three-dimensional or electronic, or written materials shall be submitted to assist the City in visualizing and understanding the proposal. Additional detailed information including but not limited to plans, elevations, building and site sections, or existing and proposed building materials, if submitted, shall become a part of the PUD site plan.
- f. The Planning Manager will distribute these materials to the appropriate City departments and other reviewing agencies for review and comment regarding compliance with the PUD zoning district Supplemental Regulations and conceptual PUD plan, and compliance with all applicable local, state, or federal laws, ordinances, standards and regulations and to determine the need for a Development Agreement as provided in this chapter. The Planning Manager will notify the applicant of any questions raised by the City departments and other reviewing agencies and negotiate a Development Agreement with the applicant if it is determined that such an agreement is needed. The Planning

Manager shall submit a report and recommendation to the Planning Commission based on this review.

- g. The Planning Commission, after holding a public hearing on the PUD site plan with notification as required by Sections 5.28.2 and 5.28.3, shall transmit its recommendation based on the standards below, together with any recommended conditions of approval and all related reports and minutes to City Council.

3. Standards for PUD Site Plan Review

City Council, after holding a public hearing on the PUD site plan with notification as required by Sections 5.28.2 and 5.28.3, and after receiving all related reports and minutes and a recommendation from the Planning Commission, shall approve, approve with conditions, or deny a PUD site plan. A PUD site plan shall be approved by City Council only after it determines that:

- a. The development would comply with the PUD zoning established pursuant to the requirements of this chapter, and with all applicable local, state, or federal laws, ordinances, standards and regulations.
- b. The development would limit the disturbance of natural features to the minimum necessary to allow a reasonable use of the land, applying criteria for reviewing a Natural Features Plan as provided in Section 5.29.6F.
- c. The development would not cause a public or private nuisance and would not have a detrimental effect on the public health, safety or welfare.

4. Effect of PUD Site Plan Approval

For three years from the date of approval of a PUD site plan, permits may be issued and the land developed consistent with the PUD site plan and the regulations, laws and ordinances in effect at the time of approval, unless new regulations, laws and ordinances have been made applicable to previously approved developments. After three years from PUD site plan approval, no permits shall be issued unless the PUD site plan is reconsidered in the manner provided for new PUD site plans and is determined to meet the standards of the PUD zoning district or has been extended as provided in 5.30.3A.

^{iv} Currently, changes to approved PUD Districts are addressed in Section 5.30.4:

Changes to a PUD Zoning District

A change to a PUD zoning district may be accomplished by amending the PUD zoning district by the process provided for establishment of a PUD zoning district in Section 5.29.11 or by rezoning to a different zoning district pursuant to the procedures in Section 5.29.10.