#### PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of June 16, 2009

SUBJECT: Near North PUD Zoning District and PUD Site Plan

(626-724 North Main Street) File No. SP08-023

#### PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Near North PUD Zoning District and Supplemental Regulations, and PUD Site Plan and Development Agreement, subject to the petitioner obtaining the required floodplain permit from the Michigan Department of Environmental Quality (MDEQ), subject to eight footing drain disconnections, and subject to an archeological review.

#### STAFF RECOMMENDATION

Staff recommends **denial** of the proposed PUD zoning, because the uses, physical characteristics, design features and amenities proposed do not provide an overall beneficial effect for the City and are not consistent with elements of the adopted Master Plan.

Staff recommends **denial** of the proposed PUD site plan(dated June 2, 2009) because it does not adequately achieve the purposes of a PUD zoning district and would have a detrimental effect on the public health, safety and welfare.

#### **LOCATION**

The site is located on the east side of North Main Street, just south of East Summit Street. The site is comprised of 626, 630, 700, 708, 712, 718, 722, and 724 North Main Street (Central Area, Allen Creek Watershed).

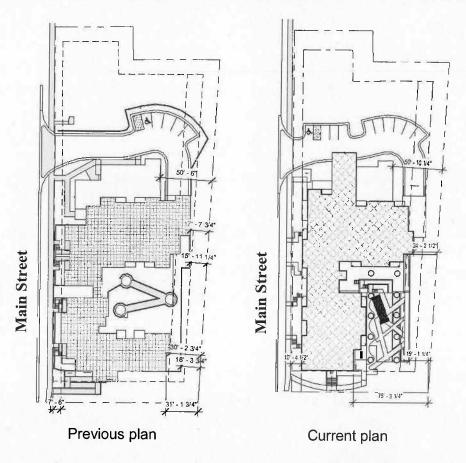
#### **DESCRIPTION OF PROJECT**

The site plan proposal was postponed at the May 5, 2009 Planning Commission meeting to allow the petitioner additional time to respond to comments from the Commission and staff. These changes are outlined in the attached memorandum from the petitioner and summarized below:

<u>Houses within the Floodway/Floodplain</u>: The three houses located in the floodway on the north end of the site are proposed to be removed. As a result, all eight existing houses on the site will be removed.

<u>Building design</u>: The proposed building has been modified from a 'U' shape to an 'L' shape moving one branch of the building to align parallel with Main Street, see diagram below. The height of the building has been increased along Main Street due to residential units being moved from the part of the building closest to the adjacent houses

in the rear and added to the Main Street section of the building. These additional units increase the southern half of the Main Street elevation from four stories to five stories.



<u>Setbacks</u>: The front setback has been increased from 7 feet 6 inches to 10 feet 3 inches, and the front yards have been terraced to more closely match the existing front yards along Main Street. The rear setback has increased slightly for the northern 'arm' of the building from 18.58 feet in the previous plan to 24 feet for the stairwell and 30 feet for the residential units. There is a retaining wall for the entryway to the underground parking structure 15.33 feet from the rear property line. Side setbacks have remained the same.

<u>Parking</u>: Surface parking has been increased from 5 spaces to a total of 10 spaces and underground parking has increased from 37 to 40 spaces. Overall parking for the project has increase from 42 spaces to 50 spaces total. Bicycle parking has increased from 20 spaces to 39 spaces.

The petitioner has submitted a revised PUD site plan (dated June 2, 2009) for a maximum five-level (plus underground parking) 40-unit mixed use apartment building, an increase of one residential unit from the previous plan. In addition to 2,950 square feet of retail use (329-square foot increase from previous plan) and 16,966 square feet (1,226-square foot increase) of underground parking, the building will now contain 1,645 square feet of office use for a total building size of 67,719 square feet. The previous building was 63,860 square feet and did not include office space. The previous plan included office space in the three houses that are now proposed to be removed.

The proposed building is now designed in an 'L-shape' around a landscaped courtyard that will contain a walkway, benches and gardens. Due to the significant slope on the property, the building will appear to be four stories on the northern end rising to five stories along Main Street and then reducing to four stories on the southern end. There will be 36 one-bedroom units and 4 two-bedroom units, for a total of 44 bedrooms.

All housing units will be designated affordable housing as defined by Michigan State Housing Development Authority (MSHDA) with up to 14 units designated as supportive housing. Supportive housing is defined by MSHDA as housing targeted to families and individuals at or below 30% Area Median Income.

The petitioner is exploring the possibility of installing numerous 'green' features for the building including geothermal heating/cooling, vegetated roofs, solar shading, and high efficiency water fixtures and appliances, although, they are unable to commit to any of the 'green' features at this point. The petitioner has committed to LEED certification; however, this can only be determined after construction is completed. The requirement for LEED certification will be included within the PUD supplemental regulations.

#### **ZONING COMPARISON CHART**

		EXISTING	PROPOSED	PROPOSED PUD Supplemental Regulations	PERMITTED BY CURRENT ZONING
Zoning		0	PUD	PUD	R4C *
Gross Lot Area		8 lots, ranging from 3,200 sq ft to 10,000 sq ft	51,836 sq ft (1.19 acres)	51,836 sq ft	8,500 square feet MIN
Density (Residential zoning)		8 units	40 units total or 33.6 units/acre	40 units MAX	23 units total or 20 units/acre MAX
Floor Area Ratio (Office zoning)		N. A.	97.91%	100% MAX	40% MAX
Setbacks	Front	Varies from approx 18 ft to 23 ft	10.25 ft	10 ft MIN	45 ft MIN **
	Side: North	Varies from 10 ft to 40 ft	99.0 ft (Proposed Building)	100 ft MIN	12 ft least one/26 ft total of two MIN *
	Side: South	Varies from 0 ft to 5 ft	20.0 ft	20 ft MIN	
	Rear	Varies from 68 ft to 100 ft	24.0 ft	24 ft MIN	55 ft MIN *
Open Space		N.A.	60.5%	60% MIN	40 % MIN
Height		Varies – approx 25 feet	55 ft MAX	55 ft	30 ft MAX

Table continued on next page.

	EXISTING	PROPOSED	PROPOSED PUD Supplemental Regulations	PERMITTED BY CURRENT ZONING
Parking – Automobiles	Varies	50 Spaces Total	50 spaces MIN	Res - 59 spaces MIN Retail - 9 spaces MIN Office - 11 spaces MIN Total - 79 spaces
Parking – Bicycles	N/A	30 sps - Class A; 4 sps - Class B; 6 sps - Class C	12 sps - Class A MIN 4 sps - Class B MIN 4 sps - Class C MIN	10 spaces Total MIN

- \* Although the site is zoned O (Office District), residential uses are a principal permitted use in the district, "subject to all the regulations of the district in which such use occurs." R4C zoning is appropriate due to the size of the existing lots and the R4C zoning of adjacent lots. Therefore, due to the primarily residential use of subject site, the project should be compared to the R4C zoning district standards.
- \*\* Includes additional front, side, and rear setbacks for buildings over 30 feet high and 50 feet wide (using averaged front setback of 20 feet).

#### STAFF COMMENTS AND ANALYSIS

Floodplain Coordinator – The revised proposal includes increased parking and fill in the floodway. The current proposal includes up to 5 feet of fill in the floodway for the parking lot, and a 9+ foot tall retaining wall along the north side of the parking lot that will obstruct flood flow. Chapter 57, Section 5:129, requires that natural features (floodplain) impact be minimized. It may be necessary to move portions of the building to the south. Staff feels the amount of floodway fill is excessive and recommends that the parking area and related building entrances be redesigned to minimize the floodway encroachment. The petitioner has not demonstrated that the current proposed floodway and floodplain fill has been minimized. The proposal also includes a fence in the floodway at the north end of the parking lot. Staff does not support the fence and requests the design be modified to allow the fence to be removed from the floodway since this can create an obstruction to flood water.

Due to the proposed floodplain fill, this project requires a floodplain permit from the Michigan Department of Environmental Quality (MDEQ). Typically the MDEQ does not permit this type of fill in the floodway, as is proposed with this project. Staff recommends that this petition not be acted on by the City Planning Commission or City Council until an MDEQ floodplain permit has been obtained and the site plan has been revised to conform to the MDEQ permit.

<u>Planning</u> – Planning staff must determine if a proposed PUD meets the standards for PUD approval in Chapter 55 (Zoning) when considering a recommendation for approval or denial. If affordable housing was the only standard for approval, this project (and all

others proposing affordable housing) would meet that standard. However, Chapter 55 includes multiple standards for PUD approval including:

 (a) The use or uses, 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 thereof, on present and potentially surrounding land uses....

Although the proposed project meets the "beneficial effect" of providing affordable housing and using land efficiently, it does not meet other beneficial effects such as, "(i) innovation in land use and variety in design, layout and type of structure which furthers the stated goals and physical character of adopted land use plans and policies" and (vii) the use and reuse of existing sites and buildings which contributes to the desired character and form of an established neighborhood.

 (b) This beneficial effect for the City shall be one which could not be achieved under any other zoning classification and shall be one which is not required to be provided under any existing standard, regulation or ordinance of any local, state or federal agency.

The proposed use could be achieved on this site in a manner that is less visually impactful. Building additions could be proposed for the existing homes that achieves a similar number of dwelling units. New construction could also be proposed in a manner much more consistent with the existing character of the neighborhood and the recommendations of the Central Area Plan.

• (c) The use or uses proposed shall not have a detrimental effect on public utilities or surrounding properties.

The proposed project will have a detrimental effect on surrounding properties by impacting sunlight, views, vegetation and the historic character of the neighborhood.

• (d) The use or uses proposed shall be consistent with the Master Plan and policies adopted by the City or the petitioner shall provide adequate justification for departure from the approved plans and policies.

The petitioner is proposing a project that has some significant inconsistencies with the recommendations of the Central Area Plan regarding a) Housing and Neighborhoods, b) Development/Redevelopment, c) Historic Preservation, and d) Use, as described in the previous staff report. Staff believes that the proposed residential use could be accommodated on the site in a manner much more consistent with the recommendations of the Central Area Plan.

Planning staff acknowledges that the petitioner has made many modifications and some improvements to the site plan in an attempt to address Planning Commission and City staff issues. The petitioner has met with staff and neighbors several times since the May 5, 2009 Planning Commission meeting to identify areas of concern and design solutions. While the revised site plan addresses some of the concerns of staff, the larger issues of retail use, mass, scale and compatibility still apply. The removal of the three houses within the floodway is a benefit that was advocated by staff and is a notable plan

change. Staff has re-examined the project as it relates to the PUD standards and concludes that the issues identified in the April 21, 2009 Planning staff report are still applicable with the revised plan. While the petitioner has moved the southern 'arm' of the building to align with the rear of the units facing Main Street and increased front and rear setbacks, this does not reduce the total mass and height of the building. Furthermore, as a result of these changes, the proposed building has increased in total size, added office uses, and added more units to the highest floor of the building. Staff feels that while the changes to the plan address some issues, the benefits created by the modified plan do not outweigh the impacts of the massing of the proposed building in this location.

Planning staff has evaluated this project in the same manner as all other projects, weighing the benefits and the impacts. Affordable housing and floodplain remediation are identified City goals, and defined benefits of this project, but staff feels that these goals can be accomplished in a manner that is not as detrimental to the existing neighborhood and contrary to Master Plan recommendations. For example, a retail use, while beneficial in some mixed use projects is not supported by the Central Area Plan at this location and is not essential for an affordable housing project. The plan also proposes almost twice the recommended density for the site and over two times the allowable Floor Area Ratio. Remediation of a natural feature such as a floodway is a benefit, however, when this is accomplished while increasing the negative impacts of the project, the beneficial aspect of the remediation is lessened.

Regarding the retail use in the project, which is not supported in the Master Plan, the petitioner has indicated a willingness to prohibit a retail/liquor store while the existing Summit Market is operational. However, because the petitioner does not own or control the Summit Market parcel, there is nothing that the City or the petitioner can do to prevent duplicate retail uses at both locations. There is language in the supplemental regulations prohibiting a liquor store from opening in the Near North building while the Summit Market is open. This will prevent a liquor store from moving into the Near North building while the Summit Market is operating, however, it will not prevent another similar use from moving into the vacated Summit Market if and when the use does move out. The Summit Market is zoned for commercial uses and the Central Area Plan identifies office/commercial uses at this location in the future land use plan.

Although staff continues to support the provision of affordable housing and floodplain mitigation as key elements of this project, the overall massing and scale characteristics are significant land use issues that should be properly addressed to justify approval of a PUD at this particular location. Staff acknowledges the costs, issues and benefits involved with developing an affordable housing project and removing buildings from the floodway.

Prepared by Matthew Kowalski Reviewed by Connie Pulcipher jsj/6/12/09

# Near North PUD Zoning and Site Plan Page 7

Attachments: 6/10/09 Draft Supplemental Regulations

4/14/09 Draft Development Agreement Garage Entrance and Rear Setback Diagram

Ground Floor Plan

Elevations

Building Footprint Exterior Perspective Courtyard Perspective Existing Conditions Landscape Plan

Summary of Meetings with Community and Neighbors

Planning Commission Petitioner Response

Citizen Participation Report

4-21-09 Staff Report

c: Owner:

Three Oaks

608 Packard

Ann Arbor, MI 48104

Petitioner:

Damian Farrell Design Group

3011 Miller Road Ann Arbor, MI 48103

Systems Planning File Nos. SP08-023

#### **NEAR NORTH PUD Supplemental Regulations** 6/10/2009

#### Section 1: Purpose

It is the purpose of the City Council in adopting these regulations to provide for the orderly and efficient development of a mixed use development on this site. These regulations promote that by specifying the range of permitted principal and accessory uses.

#### Section 2: Applicability

The provisions of these regulations shall apply to the property described as follows:

Land situated in the Township of Ann Arbor, Washtenaw County, Michigan, to-wit:

**DESCRIPTION OF 1.19-ACRE PARCEL.** PART OF LOTS 1,2 AND 14 AND ALL OF LOTS 5, 7, 9,11 & 13 OF **BLOCK #1, ORMSBY AND PAGE'S ADDITION.** IN THE SE 1/4 OF SECTION 20, T2S, R6E. IN THE CITY OF ANN ARBOR, WASHTENAW COUNTY, MICHIGAN

Being more particularly described as:

Commencing at the monumented intersection of Main Street and Summit Street; thence S 62°00'42" E 37.46 feet to a point along the centerline of Summit Street, said point being N 62°00'42" W 366.67 feet from the monumented intersection of Summit Street and N. Forth Street; thence S 19°00'00" W 114.21 feet parallel to the monumented centerline of Main Street and along the westerly line of Lot 1 of Block 1, Ormsby and Page Addition, as Recorded in Liber M of Deeds, pages 191 & 192, Washtenaw County Records, Michigan for a POINT OF **BEGINNING:** 

thence S 71°02'44" E 80.66

thence S 18°20'18" W 29.33 feet;

thence S 70°52'52" E 10.05 feet

thence S 28°13'07" W 1.73 feet:

thence S 71°07'58" E 67.47 feet along the North line of Lot 5 of said Addition;

thence S 22°03'45" W 208.08 feet along the East line of Lots 5,7,9 and 11 of said

Addition to a found Iron pipe.

thence S 22°36'53" W 123.99 feet along the East line of Lots 11 & 13 of said Addition; thence N 70°53'11" W 139.30 feet along the South line of Lot 13 of said Addition to a point which lies N 19°00'00" E 215.31 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition from the Southwesterly corner of Lot 19 of said Addition; thence N 19°00'00" E 362.08 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition to the Point of Beginning. Being a part of Lots 1,2 & 14 and all of Lots 5,7,9,11 & 13 of Block #1, Ormsby and Page's Addition, in the SE ¼ of Section 20, T2S, R6E, in the City of Ann Arbor, Washtenaw County, Michigan. Containing 1.19 acres of land, more or less. Being subject to easements And restrictions of record, if any.

Containing 1.19 acres of land, more or less. Being subject to easements and restrictions of record, if any.

Further, the provisions of these regulations shall be adopted and incorporated into the Near North Planned Unit Development District. These regulations, however, are intended to supplement only those provisions in the City Code that may be modified as a part of a PUD and shall not be construed to replace or modify other provisions or regulations in the City Code.

#### **Section 3: Findings**

During the public hearings on the Planned Unit Development, the Planning Commission and City Council determined that:

(A) It is desirable to develop the property described above for an affordable housing and commercial use, in lieu of the current office zoning.

#### **Section 4: PUD Regulations**

(A) Permitted principal uses shall be:

#### **Affordable Apartment Units**

All housing units on site shall be designated affordable housing with a maximum 40 affordable units as defined by MSHDA standards and requirements. 15% or up to 14 units can be used at one time for supportive housing units as defined by MSHDA.

Ground Floor Office / Retail Space The permitted use will be general office or retail with a maximum 3000 square feet, no outdoor sales permitted. Medical and Dental uses are prohibited. Any retail establishment selling alcohol shall be prohibited if another retail use selling alcohol is located within 500 feet.

<u>Second Floor Office Space</u> The permitted use will be general office with a maximum 2000 square feet. The permitted use will be general office. Medical and Dental uses are prohibited.

(B) Permitted accessory uses shall be:

Common Areas, maintenance rooms, mechanical room, flexible use space for recreation/exercise room, storage, resident social gatherings, laundry, below building parking for up to 50 cars. No accessory buildings are permitted.

(C) Setbacks:

Front yard- 10 feet from Main Street.
Side yard (south) - 20 feet minimum.
Side yard (north) - 100 feet minimum.
Rear yard - 24 feet minimum. The 24 foot rear s

Rear yard – 24 feet minimum. The 24 foot rear setback is only permitted in area shown on the attachment.

- (D) Height: 55 feet max
- (E) Lot Size: 1.19 acre
- (F) Floor Area Ratio and Open Space Requirements:

Maximum 100% Floor Area Ratio

Minimum 20,000 S.F. Open Space or 55% useable open space

(G) Parking-

Underground– 40 spaces, with a minimum of 1 space per unit including required Barrier Free Spaces and minimum of 60% of the spaces will be located below the building.

Bicycle - 29 interior (class A) spaces & 4 exterior (class C) spaces Surface:

Vehicular - 10 spaces including 2 Barrier Free Space.

Bicycle – 1 interior (class A) spaces & 4 exterior (class B) spaces.

#### (H) Landscaping, Screening and Buffers:

All non-building or circulation surfaces are to be landscaped with turf, permeable walking surfaces, native shrubs, trees or ground cover. Landmark tree replacements are to be native species. Vegetated roofs shall be of a native species and drought resistant. All exterior trash enclosures and utility meter locations shall all be screened either via decorative fencing or a vegetation.

#### (H.2) Site Access:

One drive will be utilized for the commercial, residential and office buildings, and one new pedestrian access along the southerly border is designed for the apartment units.

#### (I) Architectural Design:

<u>General</u>: Principal exterior materials of the building facades shall be glazing (minimum 40% front facades), panelized exterior cladding materials (minimum 55% front facades) plus accent materials. Acceptable materials shall include: Fiber cement siding, split face block CMU, Burnished Block CMU, plant screenings, metal paneling and metal solar shading devices.

Side and rear facades shall use the same materials as the front facades in generally consistent percentages.

Where required, screening materials shall be generally consistent with the principal exterior materials.

The materials allowed for both the commercial and residential building shall be:

Base: A combination of CMU and Burnished Block CMU both Building and retaining walls along Main Street.

Body: The body shall be of white fiber cement siding.

Top: The top cap of the building shall be a precast concrete cap resembling limestone.

<u>Details</u>: All building façades shall be detailed to provide architectural relief, accent materials, fenestration, and balconies. All architectural design, materials, and colors are to be visually compatible with the surrounding neighborhood.

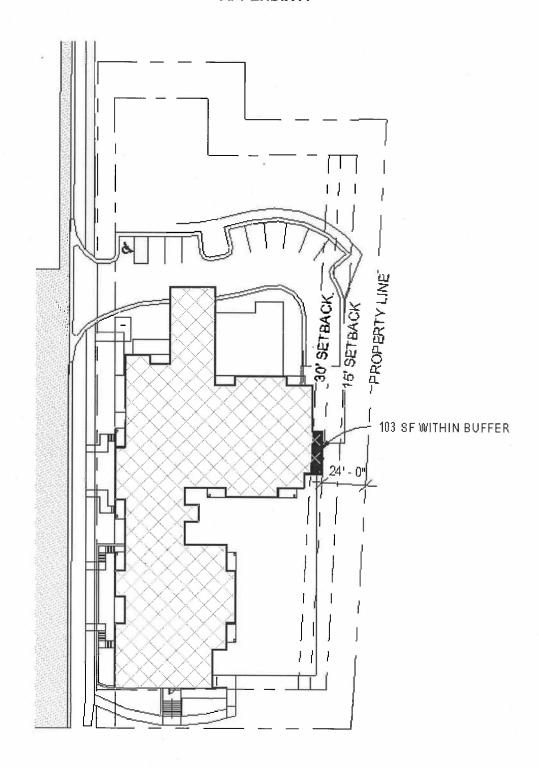
<u>Entrances</u>: Public entrances to buildings shall be provided in no fewer locations than the following:

- Primary entrance(s) to the ground floor retail shall be located parallel to Summit Street.
- ii. Primary entrance(s) to the ground floor residential shall be located at the Northwest corner adjacent to Main Street.
- iii. A secondary entrance shall be located at the Southwest corner adjacent to Main Street.
- iv. Residential entrances shall be allowed from patios along Main Street.

### (J) Green Sustainable Features:

General: The building will be LEED certified according to standards at the date of project approval.

### **APPENDIX A**



#### Near North PUD DEVELOPMENT AGREEMENT (STAFF)

THIS AGREEMENT, made this \_\_\_\_\_ day of \_\_\_\_, 20\_\_, by and between the City of Ann Arbor, a Michigan Municipal Corporation, with principal address at 100 North Fifth Avenue, Ann Arbor, Michigan 48107, hereinafter called the CITY; and Near North, an LDHALP, with principal address at 608 Packard St, Ann Arbor, 48103, hereinafter called the PROPRIETOR, witnesses that:

WHEREAS, the PROPRIETOR owns certain land in the City of Ann Arbor, described below and site planned as Near North Planned Unit Development (PUD), and

WHEREAS, the PROPRIETOR has caused certain land in the City of Ann Arbor, described below to be surveyed, mapped and site planned as Near North, and desires PUD site plan and development agreement approval thereof, and

WHEREAS, the PROPRIETOR desires to build or use certain improvements with and without the necessity of special assessments by the CITY, and

WHEREAS, the CITY desires to insure that all of the improvements required by pertinent CITY ordinances and regulations be properly made, and that the PROPRIETORS will install these improvements prior to any permits being issued.

#### THE PROPRIETOR(S) HEREBY AGREE(S):

- (P-1) To prepare and submit to the CITY for approval plans and specifications ("the Plans") prepared by a registered professional engineer for construction of public water and sanitary sewer mains, private storm water management systems, provided that no work on said Improvements shall be commenced until the Plans have been approved by the City Administrator or designee, and until such other relevant information to CITY service areas as shall be reasonably required has been provided.
- (P-2) To construct all improvements set forth in Paragraph P-1 of this Agreement in accordance with the approved Plans and to repair all defects in the improvements that occur within one year from the date of acceptance of the Improvements by the CITY, commencing on the latest date of the acceptance of any Improvements by the CITY. If the PROPRIETOR fails to construct the improvements, the CITY may send notice via first class mail to the PROPRIETOR at the address listed above requiring it to commence and complete the improvements in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR, if the PROPRIETOR does not complete the work within the time set forth in the notice. Every owner of a portion of the property, including co-owners of condominium units, shall pay a pro-rata share of the cost of the work. That portion of the cost of the work attributable to each condominium unit shall be a lien on that Property and may be collected as a single tax parcel assessment as provided in Chapter 13 of the Ann Arbor City Code.

- (P-3) To furnish, within 30 days of completion, an engineer's certificate that the construction of the public improvements set forth in Paragraph P-1 above have been completed in accordance with the specifications of the CITY in accordance with the approved plans. The engineer's certificate will cover only those items the PROPRIETOR'S engineer inspects.
- (P-4) Prior to the issuance of building permits, to deposit with a mutually acceptable escrow agent fully executed documents in a form acceptable to the CITY, which will convey, upon delivery to the CITY, easements for the construction and maintenance of public utilities and public streets. The escrow agreement shall provide for delivery of the documents to the CITY solely upon the condition that the CITY has accepted the public Improvement to be conveyed by the easement.
- (P-5) To install all water mains, storm sewers, sanitary sewers, through the first course of asphalt, pursuant to CITY approved plans and specifications, necessary to connect the site with existing CITY systems adjacent to the site prior to the issuance of any building permits.
- (P-6) To maintain the streets, including snow and ice removal, if certificates of occupancy are finalized before the street improvements have been accepted for maintenance by the CITY.
- (P-7) To be included in a future special assessment district, along with other benefiting property, for the construction of additional improvements to North Main Street, such as street widening, storm sewers, curb and gutter, sidewalks, bike paths, street lights, and the planting of trees along North Main Street, frontage when such improvements are determined by the CITY to be necessary.
- (P-8) To indemnify and hold the CITY harmless from any claims, losses, liabilities, damages or expenses (including reasonable attorney fees) suffered or incurred by the CITY based upon or resulting from any acts or omissions of the PROPRIETOR, its employees, agents, subcontractors, invitees, or licensees in the design, construction, maintenance or repair of any of the Improvements required under this Agreement and the approved site plan.
- (P-9) To cause to be maintained General Liability Insurance and Property Damage Insurance in the minimum amount of \$1,000,000 per occurrence and naming the CITY as named insured to protect and indemnify the CITY against any claims for damage due to public use of the public improvement(s) in the development prior to final written acceptance of the public improvement(s) by the CITY. Evidence of such insurance shall be produced prior to any construction of improvement and a copy filed with the City Clerk's Office and shall remain in full force and effect during construction of the public improvement(s) and until notice of acceptance by the CITY of the Improvements.
- (P-10) Existing landmark trees shown on the site plan as trees to be saved shall be maintained by the PROPRIETOR in good condition for a minimum of three years after acceptance of the public improvements by the CITY or granting of Certificate of Occupancy. Existing trees that are determined by the CITY to be dead, dying or severely damaged due to construction activity within three years after acceptance of the public improvements or granting of Certificate of Occupancy, shall be replaced by the PROPRIETOR as provided by Chapter 57 of the Ann Arbor City Code.

- (P-11) For the benefit of the residents of the PROPRIETOR'S development, to make a park contribution of \$24,304 to the CITY Parks and Recreation Services Unit prior to the issuance of building permits for improvements to Central Area Parks.
- (P-12) To deposit, prior to any building permits being issued, a street tree planting escrow account with the Parks and Recreation Services Unit in the form of a check payable to the City of Ann Arbor. The escrow amount shall be based on the CITY policy in effect at that time and is to include all on-site public streets. The City Administrator may authorize the PROPRIETOR to install the street trees if planted in accordance with CITY standards and specifications. If the street trees are found to be acceptable by the CITY, the escrow amount will be returned to the PROPRIETOR one year after the date of acceptance by the CITY.
- (P-13) To complete an archaeological study for the site, as required by CITY ordinance or regulations, which is acceptable to the CITY prior to issuance of a grading permit and to follow the recommendations of the report.
- (P-14) To construct, repair and/or adequately maintain on-site storm water management system. If the PROPRIETOR fails to construct, repair and/or maintain the private storm water management system, the CITY may send notice via first class mail to the PROPRIETOR at the address listed above, requiring it to commence and complete the items stated in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR if the PROPRIETOR does not complete the work within the time set forth in the notice.
- (P-15) After construction of the private on-site storm water management system, to maintain it until non-developer co-owners elect one or more directors to the Association's board of directors. Thereafter, by provision in the master deed, the Association shall own and maintain the storm water management system. Any proposed changes to the system must be approved by the City of Ann Arbor Systems Planning and Planning and Development Services Units. If the PROPRIETOR or Association, as appropriate, fails to maintain any portion of the system, the CITY may send notice via first class mail to the PROPRIETOR, or Association, at the address listed above, requiring it to commence and complete the maintenance stated in the notice within the time set forth in the notice. The CITY may cause the work to be completed at the expense of the PROPRIETOR or Association if the PROPRIETOR or Association does not complete the work, as appropriate, within the time set forth in the notice. If the CITY completes the work, and the costs remain unpaid by the Association for 60 days after notice via first class mail, the CITY may bill each condominium unit for the pro rata share of the total cost, or assess the pro rata share of those costs to each condominium unit as a single tax parcel assessment as provided in Chapter 13 of Ann Arbor City Code. Provisions for maintenance and responsibility for the storm water management system, as well as the pro rata share of each condominium unit shall be included by the PROPRIETOR in the master deed.
- (P-16) After construction of the private on-site storm water management system, to commission an annual inspection of the system by a registered professional engineer evaluating its operation and stating required maintenance or repairs, and to provide a written copy of this evaluation to the CITY Public Services Area.

- (P-17) Prior to building permits being issued, to restrict, but not prohibit, by covenants and restrictions recorded with the Washtenaw County Register of Deeds, the use of lawn care chemicals and fertilizers in order to minimize the impacts on Allens Creek.
- (P-18) To design, construct, repair and maintain this development in accordance with the provisions of Chapter 119 (Noise Control) to ensure that any noise emanating from said development will not impact nearby residents or businesses. In addition, PROPRIETOR shall review existing noise sources surrounding said development and incorporate necessary design and construction techniques to ensure that future tenants will not be exposed to noise sources in violation of Chapter 119.
- (P-19) To dedicate 100% of all housing units on site as affordable housing as defined by MSHDA standards and requirements with a maximum of 15% or 13 units for supportive housing units.
- (P-20) To include the elevation drawings, as submitted to City Council, as part of the approved site plan and to construct all buildings consistent with said elevation drawings. If the PROPRIETOR proposes any changes to the approved building elevations, setbacks, aesthetics, or materials, that those changes be brought back to the City Council for consideration. The PROPRIETOR is required to submit signed and sealed drawings to staff reflecting the elevations, setbacks, aesthetics, materials and site plan approved by City Council.
- (P-21) To remove all discarded building materials and rubbish from the development at least once each month during construction of the development improvements, and within one month after completion or abandonment of construction.
- (P-22) To apply for and obtain, prior to issuance of any Certificates of Occupancy, Letters of Map Revision (LOMR) from the Federal Emergency Management Agency for modifications in the floodplain elevations on the site, and to furnish to the CITY copies of the LOMR and an Elevation Certificate for each building.
- (P-23) Prior to application for and issuance of certificates of occupancy, to disconnect 8 footing drains from the sanitary sewer system in accordance with the *Guidelines for Completion of Footing Drain Disconnections, City of Ann Arbor Development Offset-Mitigation Program* (November 2005 edition, as amended). The PROPRIETOR, however, may be allowed to obtain partial certificates of occupancy for the development prior to the completion of all of the required footing drain disconnects on a prorated basis, at the discretion of the CITY Public Services Area. CITY agrees to provide PROPRIETOR with a certificate of completion upon PROPRIETOR'S submittal of approved and final closed-out permits to the CITY Public Services Area.
- (P-24) PROPRIETOR is the sole title holder in fee simple of the land described below except for any mortgage, easements and deed restrictions of record and that the person(s) signing below on behalf of PROPRIETOR has (have) legal authority and capacity to enter into this agreement for PROPRIETOR.
- (P-25) Failure to construct, repair and/or maintain the site pursuant to the approved site plan and/or failure to comply with any of this approved development agreement's terms and conditions shall constitute a material breach of the Agreement and the CITY shall have all remedies in law and/or in equity necessary to ensure that the PROPRIETOR complies with the approved site plan and/or the terms and conditions of the approved development agreement.

The PROPRIETOR shall be responsible for all costs and expenses including reasonable attorney fees incurred by the CITY in enforcing the terms and conditions of the approved site plan and/or development agreement.

- (P-26) In addition to any other remedy set forth in this Agreement or in law or equity, if PROPRIETOR fails to make a timely or full payments to the CITY as set forth elsewhere in the Agreement to the CITY in the agreed upon manner, any unpaid amount(s) shall become a lien, as provided under Ann Arbor City Code and recorded with the Washtenaw County Register of Deeds, against the land described below and may be placed on the CITY tax roll as a single lot assessment, or if the development is converted to condominium ownership, every owner of a portion of the property shall pay a pro-rata share of the amount of the payments attributable to each condominium unit. If the unpaid amount(s), in whole or in part, has been recorded as a lien on the CITY'S tax roll and with the Washtenaw County Register of Deeds, upon payment of the amount in full along with any penalties and interest, the CITY, upon request, will execute an instrument in recordable form acknowledging full satisfaction of this condition.
- (P-27) To pay for the cost of recording this Agreement with the Washtenaw County Register of Deeds, and to pay for the cost of recording all documents granting easements to the CITY.

#### THE CITY HEREBY AGREES:

- (C-1) In consideration of the above undertakings, to approve the Near North PUD Site Plan.
- (C-2) To use the park contribution described above for improvements to the Central Area parks.
- (C-3) To provide timely and reasonable CITY inspections as may be required during construction.
  - (C-4) To record this agreement with the Washtenaw County Register of Deeds.

#### **GENERAL TERMS**

Both the PROPRIETOR and the CITY agree as follows:

- (T-1) This agreement is not intended to create a contractual right for third parties.
- (T-2) This Agreement and any of its terms, conditions, or provisions cannot be modified, amended, or waived unless in writing and unless executed by both parties to this Agreement. Any representations or statements, whether oral or in writing, not contained in this Agreement shall not be binding on either party.
- (T-3) This Agreement and any of its terms or conditions shall not be assigned or transferred to any other individual or entity unless prior approval of the CITY is received. Such approval shall not be withheld unreasonably.

(T-4) The obligations and conditions on the PROPRIETOR, as set forth above in this Agreement and in the approved site plan, shall be binding on any successors and assigns in ownership of the following described parcel:

Commencing at the monumented intersection of Main Street and Summit Street; thence S 62°00'42" E 37.46 feet to a point along the centerline of Summit Street. said point being N 62°00'42" W 366.67 feet from the monumented intersection of Summit Street and N. Forth Street; thence S 19°00'00" W 114.21 feet parallel to the monumented centerline of Main Street and along the westerly line of Lot 1 of Block 1, Ormsby and Page Addition, as Recorded in Liber M of Deeds, pages 191 & 192, Washtenaw County Records, Michigan for a POINT OF BEGINNING: thence S 71°02'44" E 80.66; thence S 18°20'18" W 29.33 feet; thence S 70°52'52" E 10.05 feet; thence S 28°13'07" W 1.73 feet; thence S 71°07'58" E 67.47 feet along the North line of Lot 5 of said Addition; thence S 22°03'45" W 208.08 feet along the East line of Lots 5,7,9 and 11 of said Addition to a found Iron pipe; thence S 22°36'53" W 123.99 feet along the East line of Lots 11 & 13 of said Addition; thence N 70°53'11" W 139.30 feet along the South line of Lot 13 of said Addition to a point which lies N 19°00'00" E 215.31 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition from the Southwesterly corner of Lot 19 of said Addition: thence N 19°00'00" E 362.08 feet parallel to the monumented centerline of Main Street, along the Easterly right-of-way line of Block 1 of said Addition to the Point of Beginning. Being a part of Lots 1,2 & 14 and all of Lots 5,7,9,11 & 13 of Block #1, Ormsby and Page's Addition, in the SE 1/4 of Section 20, T2S, R6E, in the City of Ann Arbor, Washtenaw County, Michigan. Containing 1.19 acres of land. more or less. Being subject to easements and restrictions of record, if any.

- (T-5) In addition to any other remedy in law or in equity failure to comply with all of the above paragraphs on the part of the PROPRIETOR, or any part of the approved site plan, in part or in whole, shall give the CITY adequate basis and cause to issue a stop work order for any previously-issued building permits and shall be an adequate basis and cause for the CITY to deny the issuance of any building permits, certificates of occupancy, or any other permits unless and until the CITY has notified the PROPRIETOR in writing that the PROPRIETOR has satisfactorily corrected the item(s) the PROPRIETOR has failed to perform.
- (T-6) This agreement shall be interpreted, enforced and governed under the laws of the State of Michigan and Ann Arbor City Code.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day first above written.

Witnesses:	100 North Fifth Avenue Ann Arbor, Michigan 48107
	By: John Hieftje, Mayor
<del></del>	By: Jacqueline Beaudry, City Clerk

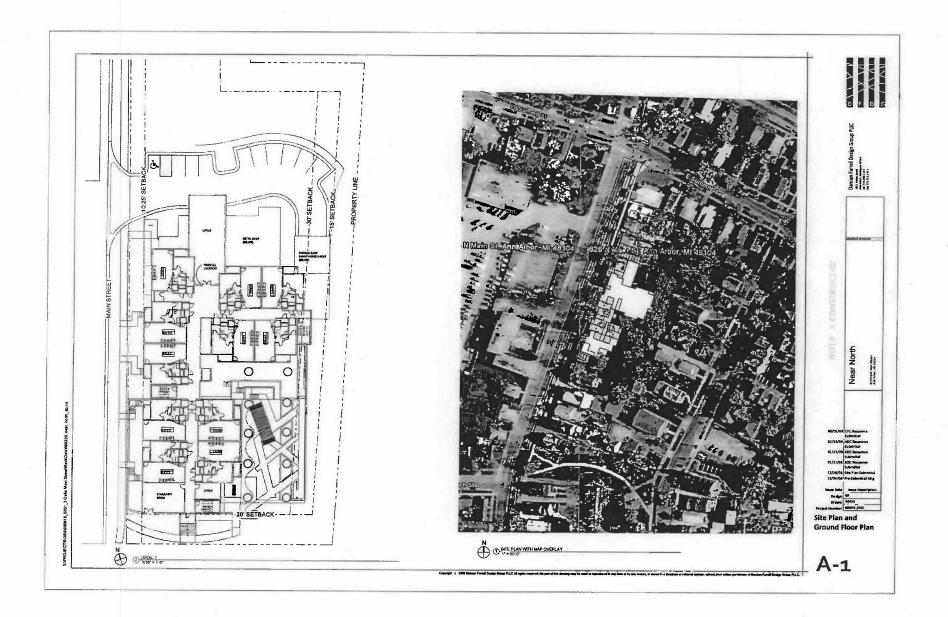
Approved as to Substance;	
Roger W. Fraser, City Administrator	_
Approved as to Form:	
Stephen K. Postema, City Attorney	
Witness:	Dag
-	By:
STATE OF MICHIGAN ) ) ss: County of Washtenaw )	
and Jacqueline Beaudry, Clerk of the Ci to be the persons who executed this for	, 2005, before me personally appeared John Hieftje, Mayor, ity of Ann Arbor, a Michigan Municipal Corporation, to me known egoing instrument, and to me known to be such Mayor and Clerk that they executed the foregoing instrument as such officers as on by its authority.
	NOTARY PUBLIC County of Washtenaw, State of Michigan My Commission Expires: Acting in the County of Washtenaw

STATE OF MICHIGAN ) ) ss: County of Washtenaw )	
On this day of, 2005 me known to be the person who executed the forther the foregoing instrument as his free act and deep	oregoing instrument, and acknowledged that he executed
	NOTARY PUBLIC County of Washtenaw, State of Michigan My Commission Expires: Acting in the County of Washtenaw

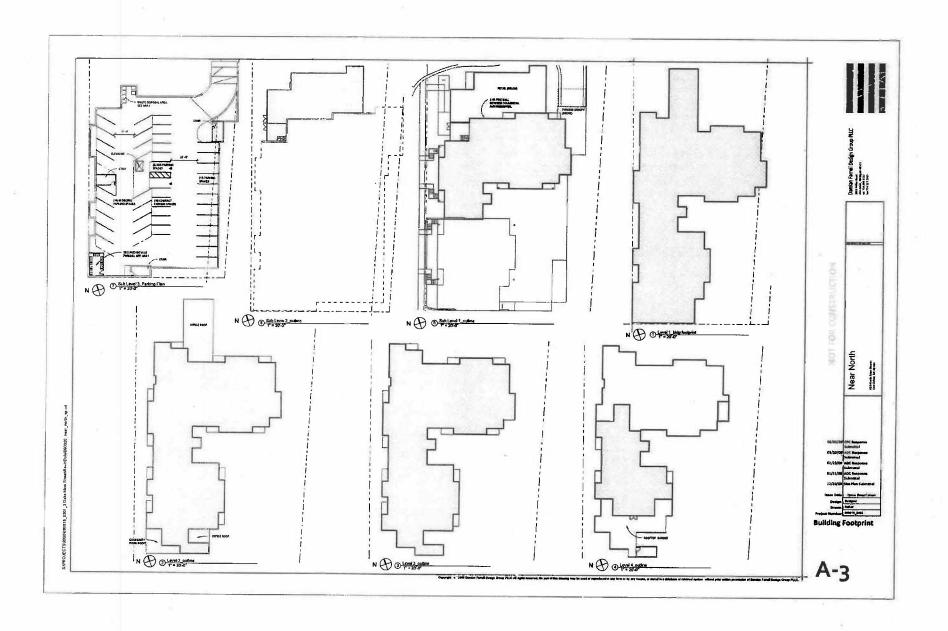
DRAFTED BY AND AFTER RECORDING RETURN TO: Ann Arbor Planning & Development Services Post Office Box 8647 Ann Arbor, Michigan 48107 (734) 994-2800

# GARAGE ENTRANCE AND REAR SETBACK DIAGRAM











Perspective color rendering of building in context viewed from north on North Main looking south.



Perspective color rendering of building in context viewed from west on North Main looking east.



Perspective color rendering of building in context viewed from southwest on North Main looking northeast.



Perspective color randering of building in context viewed from south on North Main looking north

A

an Farrell Design Group Pl

Marian Parish

-

NOT FOR CONSTRUCTION

Near North

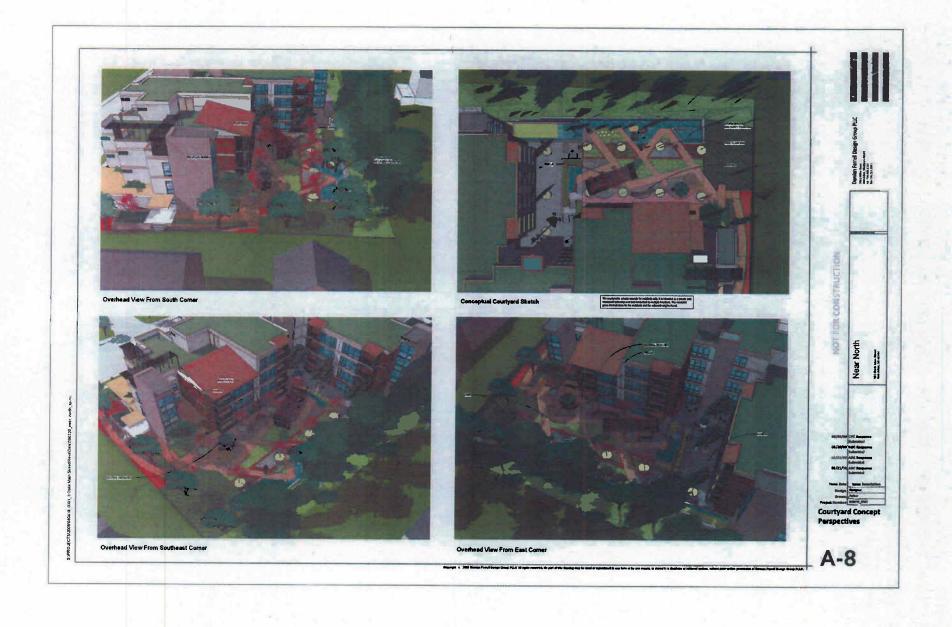
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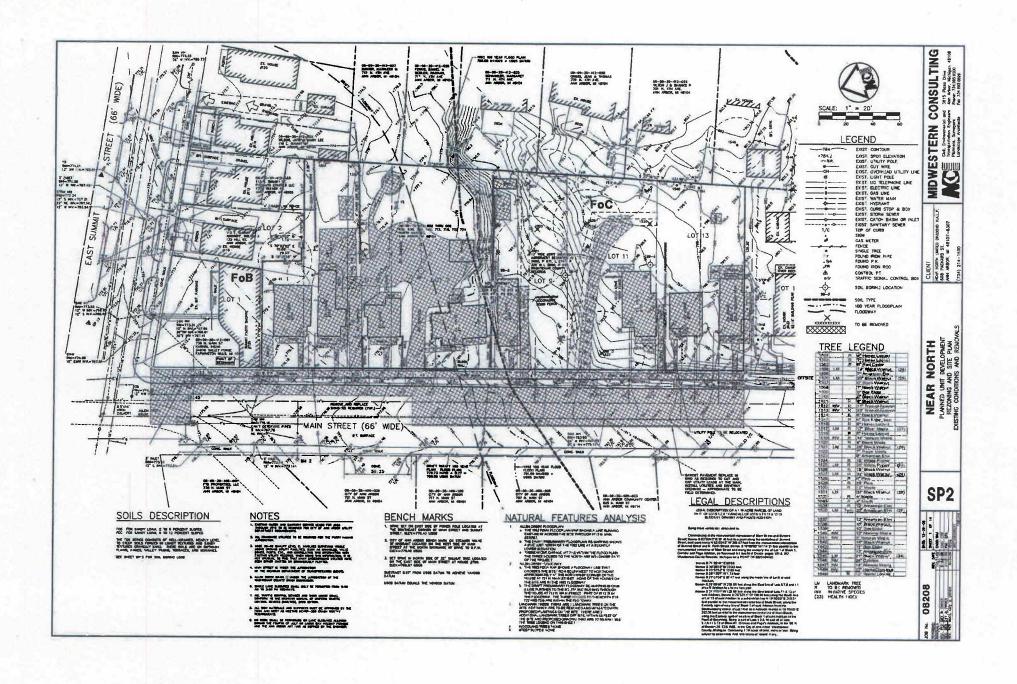
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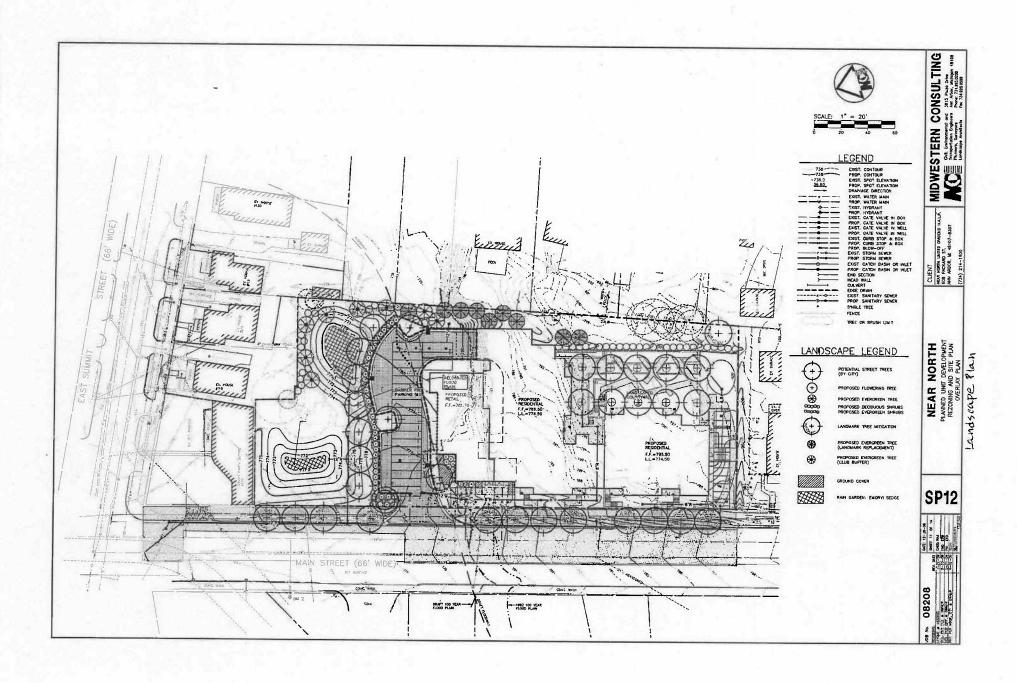
Building Exterior Perspectives

A-5

880818\_8201\_3 Dake Men SteenRevitDelp090329, nest\_eorth\_sp







## Notes of Meeting with Tom Fitzsimmons and Margaret Schankler on May 15.

- Exclude second market/liquor license as potential use for Near North commercial space in the supplementary regulations.
   We will place this as part of the supplementary regulations and work with staff for its correct implementation.
- Make a decision about the three houses...are they in or out?
   The Houses will be removed from the floodway.
- Improve rear and front setbacks.
   Improved rear setbacks significantly, especially for the North Fourth neighbors.
- Get revised plans to you and Peter when they are ready ASAP for review and further comments.
   We have met with Peter Pollack about the current design and have integrated some of his comments ideas were possible. We are still corresponding with him to continue the process.
- Add some 2 BR units if possible to make Near North more family friendly.
   We have added for four two-bedroom units.
- Make a decision about a small office above the market for Three Oaks or someone else.
   We have added a office space above the retail..
- Forward park proposal (see attached) and address public safety, family friendly, and maintenance issues.
   New family friendly, low maintenance secure urban greenway design in process.
- Build a model of Near North in context with surrounding properties.
   We are in process of doing this and will be presenting it at the next planning commission meeting.

#### Note from meeting with Peter Pollack on May 19.

- If it were possible to diversify the building with some two bedroom units to reduce the singularity of the population within the building.
   We have added for four two-bedroom units.
- Are the houses to remain?
   No the houses are to be removed.
- Can the front setback be increased?
   Yes the setback has been modified. The building has been moved to the East by an additional 2'-9". The front setback is now 10'-3".
- 4. Can the front yard areas be terraced to continue the rhythm of the adjacent residential?

  Yes we have modified the front yard retaining to be similar in style to that of neighboring yards.
- Can the trees in the frontage on Main Street be preserved?
   Unfortunately they cannot. This is due to city and state requirements for upgrades to water and sewer infrastructure.
- Recommend the use of potted trees in courtyard area.
   We have redesigned the courtyard and now have potted trees located on the structural columns.

prophers by the book of the second to the second

# Near North PUD Zoning District and PUD Site Plan Action Items from May 5, 2009 Planning Commission Meeting

1. Three Main Street houses in the floodway should be removed. Define specifics of their removal in the supplemental regulations including the time frame.

The three existing houses have been removed.

- 2. Provide a three-dimensional model of the building in the context of the neighborhood. We will provide a physical model of the PUD site and its surrounding context at 1/32 scale. The model will display two versions of the building. The first is a representation of the building reviewed by Planning Commission during the May 5<sup>th</sup> meeting. The second is a representation in address to both the Action Items and meetings with Neighbors and community members.
- 3. Provide an alternative building design that responds better to the neighborhood scale and character, including reduced massing and height.
  - We have reduced the footprint while retaining the courtyard, but increased the distance from the neighboring houses. The building form has changed to an L-shape.

 We have terraced the Main Street yard area to follow the pattern of the adjacent front yard areas.

- The building is now setback from the West property line at 10'-3" from 7'-6".
- Replaced the office use in the existing houses that will be removed into the new building to make a true, affordable, and mixed use project.

• Introduced residential design elements such as pitched roof structures on the porches.

- We have not reduced the height of the building because of the need to compensate for removal of the existing houses in the floodway. The massing was reduced only.
- 4. Define architectural components in the supplemental regulations:

a. Building massing and architectural details.

b. Energy efficient (green) features.

c. Glazing and materials per elevations.

d. Balconies and other structures that face existing residential.

These items have been defined in detail and placed within the supplemental regulations. The excerpt is as follows:

(I) Architectural Design:

General: Principal exterior materials of the building facades shall be glazing (minimum 40% front facades), panelized exterior cladding materials (minimum 55% front facades) plus accent materials. Acceptable materials shall include: Fiber cement siding, split face block CMU, Burnished Block CMU, plant screenings, metal paneling and metal solar shading devices.

Side and rear facades shall use the same materials as the front facades in generally consistent percentages.

Where required, screening materials shall be generally consistent with the principal exterior materials.

The materials allowed for both the commercial and residential building shall be:

Base: A combination of CMU and Burnished Block CMU both Building and retaining walls along Main Street.

Body: The body shall be of white fiber cement siding.

Top: The top cap of the building shall be a precast concrete cap resembling limestone.

<u>Details</u>: All building façades shall be detailed to provide architectural relief, accent materials, fenestration, and balconies. All architectural design, materials, and colors are to be visually compatible with the surrounding neighborhood.

<u>Entrances</u>: Public entrances to buildings shall be provided in no fewer locations than the following:

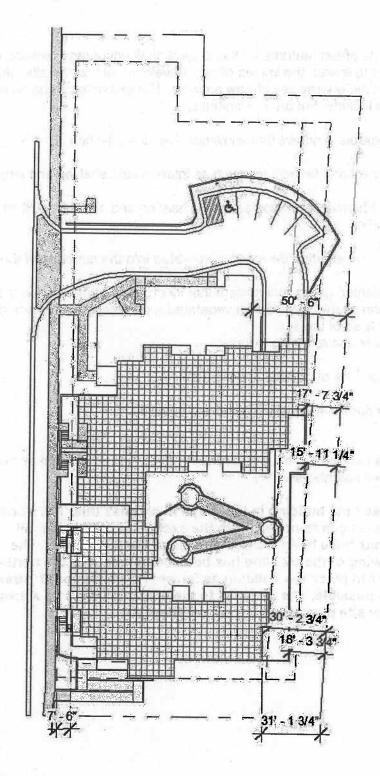
- Primary entrance(s) to the ground floor retail shall be located parallel to Summit Street.
- ii. Primary entrance(s) to the ground floor residential shall be located at the Northwest corner adjacent to Main Street.
- iii. A secondary entrance shall be located at the Southwest corner adjacent to Main Street.
- iv. Residential entrances shall be allowed from patios along Main Street.

(J) Green Sustainable Features:
Compiled by the Planning and Development Services Unit 5/7/2009

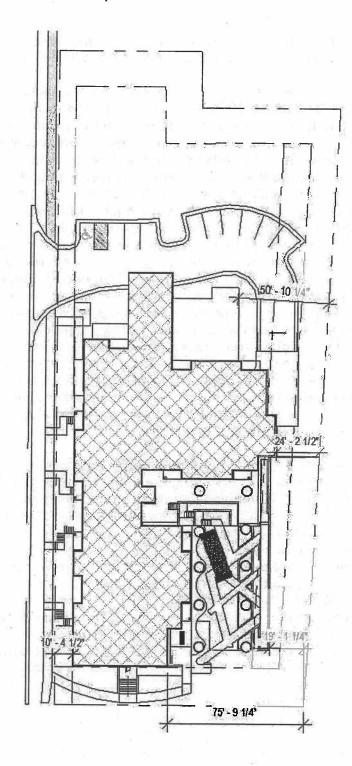
General: The green features for this project shall encourage development that seeks ways to lessen the impact of new developments on the city infrastructure and reduce the energy use of new projects. The technologies being proposed in this project include, but are not limited to:

- i. Operable windows that allow passive air ventilation.
- ii. Day lighting techniques such as internal light shelves and large windows.
- iii. Geothermal technologies for the heating and cooling 100% of the building.
- iv. Passive shading devices incorporated into the structure of the building.
- v. A planted green roof system that incorporates the necessary detention for storm events, providing a vegetated roof surface that covers over 50% of the area of the site.
- vi. Water use reducing fixtures
- vii. Over 70% of parking underground.
- viii. Pervious Parking Surface where possible.
- 5. Rear setbacks are too close to houses on Fourth Ave. Address height and privacy impacts on adjacent neighbors.

We have revised the building in two ways to address this. The North East corner has been removed. With the exception of the stair, all residential units have been located outside of the 30' setback. The entire south wing of the building has been combined with the north-south corridor to place the building as far west from the fourth street neighbors as possible. The distance to the property line is as shown within the new site plan submittal set on sheet A-1.



Before



After

6. Explain strategy for removal of the Summit Street Party Store. Define specifics of the removal in the supplemental regulations including the time frame.

Summit Market is not part of the Near North Affordable Housing and Mixed Use Development proposal. However, the market is part of "Near North II," a proposal that depends on fundraising and grants in order to acquire and remove six contiguous houses and the Summit Market from the Allen Creek floodway in order to improve water quality, stormwater management, and open space in the Central Area along the North Main corridor by creating a new urban greenway at the corner of North Main and Summit. This vision is aligned with the City of Ann Arbor's Parks, Recreation, and Open Space Plan, the Floodway Mitigation Plan, and the Central Area Plan. The concept is also being endorsed by the Allen Creek Greenway Conservancy, the Ann Arbor Community Center, Project Grow, Avalon Housing, Inc., and community members. We have also met with several neighbors about the proposed greenway, and the response has been very favorable. The neighbors did provide constructive feedback recommending that we pay careful attention to maintenance and safety issues. They have also requested that a second liquor store be prohibited from occupying the new Near North commercial space as long as Summit Market continues to operate in its current location. The Near North development team wholeheartedly supports this position.

The current Near North II funding strategy is as follows:

• The City of Ann Arbor is considering the submittal of a ~\$500,000 grant request to the State of Michigan to fund the acquisition and removal of two houses (110/112 East Summit) from the floodway. The deadline for submitting the grant is Friday, June 5, 2009. The chances of securing this grant are reasonably good.

• The Near North Affordable Housing and Mixed Use development, if approved, will remove three more houses (718/722/724 North Main) that are adjacent to 110/112 Fact Summit

are adjacent to 110/112 East Summit.

 The acquisition and removal of the remaining two properties, 730 North Main (Summit Market) and 116 East Summit will depend on additional fundraising and grants totaling \$1,000,000-1,400,000. Greenway design, infrastructure and maintenance will also depend on fundraising and grants.

7. Surface parking should be retail friendly. Define the number of surface parking spaces in the supplemental regulations.

The retail parking space has been increased to 10 spaces. It has been defined within the supplemental regulations.

8. Eliminate curb cut on Main Street. Propose an alternative that provides ingress and egress to the site from Summit Street only

We cannot eliminate the curb cut on Main Street. Phase Two will include an easement from the PUD site to Summit Street. We will look into placing the infrastructure required to attach the drive between sites as to not cause conflict with the Flood Way or storm water management. At a later date and time we will connect the two properties through an easement which will be required to have another Site Plan Submittal per City Zoning.

# PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of April 21, 2009

SUBJECT: Near North PUD Zoning District and PUD Site Plan

(626-724 North Main Street) File No. SP08-023

# PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the Near North PUD Zoning District and Supplemental Regulations, and PUD Site Plan and Development Agreement, subject to the petitioner obtaining the required floodplain permit from the Michigan Department of Environmental Quality (MDEQ) and subject to eight footing drain disconnections.

### STAFF RECOMMENDATION

Staff recommends **denial** of the proposed PUD zoning, because the uses, physical characteristics, design features and amenities proposed do not provide an overall beneficial effect for the City and are not consistent with elements of the adopted Master Plan.

Staff recommends **denial** of the proposed PUD site plan because it does not achieve the purposes of a PUD zoning district and would have a detrimental effect on the public health, safety and welfare.

# LOCATION

The site is located on the east side of North Main Street, just south of East Summit Street. The site is comprised of 626, 630, 700, 708, 712, 718, 722, and 724 North Main Street (Central Area, Allen Creek Watershed).

### **DESCRIPTION OF PROJECT**

The petitioner seeks to rezone and combine eight lots (1.19 acres total) currently zoned O (Office District) to PUD (Planned Unit Development District). There are currently eight houses located on the eight lots and five will be demolished. The petitioner has submitted a PUD site plan for a maximum five-level (plus underground parking), 39-unit apartment building. The building will contain a total of 63,860 square feet, including 2,621 square feet of retail use and 15,770 square feet of underground parking. The project will also include the re-use of the three remaining houses as offices for a total of 3,688 square feet of office use.

The proposed building is designed in a 'U-shape' around a central landscaped courtyard that will contain a walkway, benches and gardens. Due to the significant slope on the property, the building will appear to be five stories on the northern end reducing to three stories on the southern end. All units will have one bedroom (39 bedrooms total) and will be designated affordable housing as defined by Michigan State Housing Development Authority (MSHDA) with up to 13 units designated as supportive housing.

Supportive housing is defined by MSHDA as housing targeted to families and individuals at or below 30% Area Median Income. The petitioner is proposing numerous 'green' features for the building and is seeking LEED certification. Environmental features proposed include vegetated roofs, solar shading, high efficiency water fixtures and appliances.

The petitioner proposes to remove the southernmost five houses on the site. The three remaining houses are proposed to be renovated to allow for office uses only. These three existing houses are located directly in the Allen Creek Floodway and the retail section of the new building will be partially located in the Floodplain. The retail section will be separated from the residential portion of the building by a firewall and will be flood proofed accordingly. No part of the residential use will be located in the Floodway or Floodplain. The building will be clad in fiber cement board, wood and cement siding, cement block, and solar screens. There will be five surface parking spaces on the north side of the proposed building and one level of parking underground beneath the structure that will contain 37 spaces. Storm water runoff from impervious surfaces will be collected in an underground detention tank system below the driveway and surface parking lot. There are seven landmark trees on the site and four are proposed to be removed (a 17-inch Silver Maple, a 28-inch Black Walnut, a 32-inch Black Walnut, and a 26-inch White Poplar). These trees will be mitigated as required by City Code; replacement will require 21 trees total, including a mixture of Hawthorn, Hackberry, Linden and White Pine Trees.

PUD Zoning District and Supplemental Regulations – A PUD Zoning District is proposed for the 51,836-square foot site. PUD Supplemental Regulations have been drafted to allow 115% maximum FAR and 20,000 square feet of open space. Although the site is zoned O (Office District), residential uses are a principal permitted use allowed in the district, "subject to all the regulations of the district in which such use occurs." R4C (Multiple-Family Dwelling District) zoning is appropriate due to the intent of the R4C zoning, the size of the existing lots and R4C zoning of adjacent lots. Therefore, due to the primarily residential use of subject site, the project should be considered under the R4C zoning district standards. The maximum density allowed under the R4C district is 20 units per acre. The proposed project density is 33 units per acre. The Supplemental Regulations also propose smaller front and rear setbacks than are permitted in the existing R4C zoning district, and increased height. Permitted principle and accessory uses are also different than those allowed in the R4C district. The petitioner is requesting the following principal uses be allowed in the PUD district:

- A maximum of 4,000 square feet of office/retail space attached to the proposed housing structure.
- A maximum of 40 affordable units as defined by MSHDA standards and requirements. Fifteen percent or up to 13 units can be used at one time for supportive housing units.
- Renovation of the three existing houses on site for office uses only.

**PUD Site Plan** – A PUD Site Plan is proposed for a 63,860-square foot (including parking deck) building to replace the five of the eight existing houses on the site. The proposed building is 210 feet long along North Main Street, up to 50 feet tall and 120 feet deep. The 39 units would contain 39 bedrooms total. The three remaining houses on the site range from 906 to 1,726 square feet in size and will be used for offices.

# **ZONING COMPARISON CHART**

		EXISTING	PROPOSED	PROPOSED PUD Supplemental Regulations	PERMITTED BY CURRENT ZONING
Zoning		0	PUD	PUD	R4C *
Gross Lot Area		8 lots, ranging from 3,200 sq ft to 10,000 sq ft	51,836 sq ft (1.19 acres)	51,836 sq ft	8,500 square feet (2,175 sq ft per dwelling unit) MIN
Density (Residential zoning)		8 units	33 units/acre	40 units MAX	20 units/acre MAX
Floor Area Ratio (Office zoning)		N. A.	99.91%	115% MAX	40% MAX
Setbacks	Front	Varies from approx 18 ft to 23 ft	7.5 ft	7.5 ft	45 ft MIN **
	Side: North Side: South	Varies from 10 ft to 40 ft	10.0 ft (Existing House) 99.0 ft (Proposed Building)	20 ft	12 ft least one/26 ft total of two MIN *
Š	Count	Varies from 0 ft to 5 ft	20.0 ft	20 ft	¥
	Rear	Varies from 68 ft to 100 ft	18.58 ft	19 ft	55 ft *
Height		Varies – approx 30 feet	50 ft MAX (north side) 35 ft MAX (south side)	50 ft	30 ft MAX
Parking – Automobiles		Varies	42 Spaces Total	37 spaces MIN	Res- 59 spaces MIN Retail-9 spaces MIN Office- 11 spaces MIN
Park Bicy	ing – cles	N/A	12 - Class A; 4 - Class B; 4 - Class C	12 - Class A MIN 4 - Class B MIN 4 - Class C MIN	10 spaces Total MIN

<sup>\*</sup> Although the site is zoned O (Office District), residential uses are a principal permitted use in the district, "subject to all the regulations of the district in which such use occurs." R4C zoning is appropriate due to the size of the existing lots and the R4C zoning of adjacent lots. Therefore, due to the primarily residential use of subject site, the project should be considered under the R4C zoning district standards.

\*\* Includes additional front, side, and rear setbacks for buildings over 30 feet high and 50 feet wide (using averaged front setback of 20 feet for the front setback).

# SURROUNDING LAND USES AND ZONING

	LAND USE	ZONING
NORTH	Commercial	C1 (Local Business District)
EAST	Single-Family Residential	R4C (Multiple-Family Dwelling District)
SOUTH	Single-Family Residential	R4C
WEST	Municipal	PL (Public Land District)

# PLANNING BACKGROUND AND ANALYSIS

This project lies within the Central Area, outside of the downtown. It is not within the Downtown Development Authority District (DDA). The Central Area Plan (CAP) recommends single-family and two-family uses for this site. The proposed project does address some notable City goals, such as affordable housing and 'green' construction techniques. The project would provide 39 units of new affordable housing, including up to 13 units of supportive housing, approximately one-half mile from downtown. The developer is also seeking LEED certification for the building.

During staff's analysis it was discovered that many recommendations of the CAP are in conflict with the proposed project. The Plan recommends that this area be rezoned from office to residential. The Plan also includes extensive language on preserving neighborhood character. The proposed project is inconsistent with the recommended land uses of the Central Area Plan and recommendations for development projects to be generally consistent with the character of the neighborhood (see language below). The scale, character and architectural style of the proposed project coveys an image that is more institutional residential rather than traditional neighborhood residential in nature. Additionally, although retail use is worth considering as a mixed use component of this project, it is not a supported use by the Central Area Plan in this location.

If the entire 1.19-acre site was developed under R4C standards, which permits a maximum of 20 units/acre, the allowable density would be 23 units. The petitioner is currently proposing 39 units in addition to 3,688 square feet of office and 2,621 square feet of retail. The total Floor Area Ratio (FAR), as currently proposed, is 99%; the maximum FAR permitted in the Office District is 40%.

The following are some of the applicable Goals and Actions stated in the Central Area Plan (see pages 19 – 63 of the Plan for additional background, problem statements, and goals and actions).

# a. Neighborhood Preservation

 To protect, preserve, and enhance the character, scale and integrity of existing housing in established residential areas, recognizing the distinctive qualities of each neighborhood. ii. To encourage the development of new architecture, and modifications to existing architecture, that complements the scale and character of the neighborhood.

# b. Infill Development

- i. To ensure that new infill development is consistent with the scale and character of existing neighborhoods, both commercial and residential.
- Identify sites where the compilation of small parcels for larger developments is appropriate. Otherwise, the combining of smaller parcels in subdivided areas is considered inappropriate.

### c. Tension between Commercial and Residential Uses

i. To protect housing stock from demolition or conversion to business use, and to retain the residential character of established, sometimes fragile, neighborhoods adjacent to commercial or institutional uses.

### d. Out of Scale Construction

i. To encourage the construction of buildings whose scale and detailing is appropriate to their surroundings

# e. Affordability

i. Respect the character and architectural style of the neighborhood in the development of new affordable housing units.

### f. Historic Preservation

- To encourage the preservation, restoration or rehabilitation of historically and culturally significant properties, as well as contributing or complimentary structures, streetscapes, groups of buildings and neighborhoods.
- ii. To preserve the historic character of Ann Arbor's Central Area.
- iii. Where new buildings are desirable, the character of historic buildings, neighborhoods and streetscapes should be respectfully considered so that new buildings will complement the historic, architectural and environmental character of the neighborhood.

### **HISTORY**

In December 2008, the petitioner presented a similar proposal to City Planning Commission as part of the PUD pre-application process. This site was also part of a previous development proposal, named "Terraces on Main," submitted in 2004. That project never proceeded to City Planning Commission for action and the file was officially closed.

### **PUD ANALYSIS**

The Planned Unit Development petition form, as completed by the petitioner, is attached to this staff report. A brief summary of the standards for PUD Zoning District review, per Section 5:80(6) of the Zoning Ordinance and staff comments are provided below.

As set forth in Section 5:80(6), there are eight criteria to consider when evaluating a PUD petition. Petitioner comments in standard text, staff comments in *italics*.

1. Provides a beneficial effect for the City, which may include: innovation in land use; efficiency of land use, natural features and energy; providing usable open space; preserving and protection natural features; employment and shopping opportunities; expanding supply of affordable housing; use or reuse of existing sites.

The mission of Near North is to create an innovative, sustainable, mixed-use and affordable housing development in the northern gateway to downtown Ann Arbor that reflects the high standards of its future residents, neighbors, and the broader community while advancing the shared mission, vision, and goals of the City of Ann Arbor and the Near North development team. Our primary goal is to create a green mixed use and truly affordable development that complements both the residential character of the neighborhood and the North Main corridor. Near North is a joint venture comprised of two well-established and successful Ann Arbor organizations, Avalon Housing, Inc. ("Avalon") and Three Oaks Group LLC.

The petitioner has proposed that the beneficial effects provided by the PUD are affordable housing, as well proposed LEED certification for the new building. Planning staff feels that those proposed benefits are not sufficient to justify the increased density, reduced setbacks and disruption of the neighborhood scale and streetscape that would be caused by the project. The maximum height of the proposed building (50 feet) is also substantially out of scale for the surrounding neighborhood.

2. Beneficial effect could not be achieved under any other zoning district and not required under any existing standard or ordinance.

The beneficial effect of this project is the provision of a substantial and meaningful contribution to true affordable housing in the central area, adjacent to downtown. The land that has been assembled for this proposal is on Main Street in a prominent location and a balance of density and desirability of this location gives rise to the number of units needed to make this very specific type of project viable.

The current "O" (office) zoning allows any of the "R" (residential) zoning use classifications; R4C (multiple-family) housing being the most applicable to a site in this location and in alignment with the Central Area Plan. The "O" zoning is not beneficial to the neighborhood, nor consistent with the residential uses of the neighborhood, and the allowable housing density possible on this site under the "R" zoning, the impact of the narrowness of the site, the effect of the floodplain and the impact of setbacks and required buffer zones, makes a single-family residential project unfeasible under this zoning. An added deterrent to a permitted residential use is the value of the land on this US-23 Business Loop as well as the hardships imposed on this property that are outlined above.

In addition, the narrowness of the site makes designing the kind of housing called for in the "O" zoning very difficult as the market precedence for this style of multiple-family housing calls for attached garages. This site is better suited to a housing development where the parking can be separated from the living units and placed in the floodplain and/or below the building.

Any attempts to accommodate some of the landmark trees along the eastern boundary, will necessitate some reductions in the remaining buildable envelope, further strengthening the case for a building that hugs the western boundary and keeps as far and as low as possible relative to the neighbors to the east. This then creates the pressure to raise the height of the building along the western property line (Main Street), and the kind of solution being proposed, is the result.

Several of the existing houses on this parcel are in bad repair. The reality of these houses being in the financial reach of individual or families seeking affordable housing is slight. The location on Main Street and the associated land values, in combination with the investment that would be required to repair, update and improve these structures will most certainly be outside of the affordable range of a household that is living below the 50% AMI. An affordable housing development, as is being proposed, allows for the feasibility that makes the units available as genuine affordable units, sharing building and development costs over a volume that makes the goals of the project attainable.

The Central Area Plan also refers to the desire to incorporate affordable housing within the fabric of the existing central area which this proposal addresses in a very significant manner.

This proposal is also beneficial in that it provides housing with a small mixed-use component, and removes the possibility of an office building or other permitted commercial uses that the current zoning allows.

In summary, the only practical solution under the existing zoning is a two to three-story office building that fills the majority of the remaining building envelope, fills most of the floodplain and floodway with parking as well as parking below the building, leaving only the setback areas as open space. The nature of office building design makes for a tough challenge in breaking the façade and massing into residentially scaled parts.

Creating the size and nature of the proposed open space cannot be achieved under current zoning.

Creating a meaningful contribution to affordable housing in the downtown area cannot be done under the current zoning.

Affordable housing and LEED certification can be achieved within many existing zoning districts, including the current Office District zoning. Residential development in the Office District would be regulated by the R4C zoning standards, which permit up to 20 units per acre. The proposed project is approximately 33 units per acre and includes additional retail and office uses.

# 3. Uses shall not have a detrimental effect on public utilities or surroundings.

The PUD will not have an adverse effect on the existing public utilities. The current zoning is Office and the proposed uses within the PUD are residential, retail and office. There is sufficient and adequate utility supply to the site.

The proposed PUD will be comprised of Affordable Housing units, which will add at most, 60 people to the utility system of this area.

Existing public utilities will not be negatively affected by the proposed development. The petitioner will be required to disconnect eight footing drains as a requirement for this project. That is a benefit to the storm water system of the City.

# 4. Uses shall be consistent with master plan or adequate justification is provided.

There are two issues that this design team sees as important issues that seem contradictory in the Future Land Use Plan that is included in the Central Area Plan.

The first is that this particular portion of the block, where this project is being proposed, is indicated as single and two-family housing with higher density infill being discouraged. On the other hand, the eastern half of the block, and indeed the remainder of the adjacent area is designated as multiple-family. With the way in which this block has evolved since the plan was drafted, this would seem contradictory.

The greatest amount of investment in preserving the single-family housing has occurred in the area encouraging multiple-family, which would suggest that it would be acceptable to either assemble multiple or individual parcels for redevelopment, as land became available and create projects that would have a significant change to the predominantly single-family neighborhood that currently exists. The same argument that this does not conform to the Central Area Plan, which is being strongly used against the Near North site, would not have much ground to stand on.

In the western half of the block where Near North is proposed, the opposite has happened. With one or two exceptions, little investment has been made to maintain the houses and the land, most likely as a result of these homes being predominantly rental units and their location on the noisy and extremely busy business route. It would seem that areas that have eroded over time are best suited for redevelopment than areas that have increased in care, investment and character.

The other critical factor is that the Future Land Use Plan does not recognize in any way the floodplain and floodway location and its impact on land and development. With the Ann Arbor Flood Plan in place and the strong comments from some of the departments at City Hall about the need to remove any and all buildings in the floodway, wherever possible, this would seem to be a major gap in the ability to apply the Central Area Plan to these affected areas. These affected areas form such a large portion of land through the downtown and surrounding areas that it is hard to accept that the Plan is intended as just a guide, and based on the emphasis that both staff and the citizens are placing on the adherence to the CAP, this document is being adhered to as the anchor to evaluate project proposals. The floodplain forms an extremely important part of evaluating development and land use in this area.

As illustrated in the Planning Background and Analysis above, the proposed uses are not consistent with the Master Plan. The Central Area Plan (CAP) recommends single-family and two-family uses for this site and does not support a retail use. The CAP also recommends the site be rezoned from office to residential. The CAP also details extensive language about maintaining the scale and character of existing residential neighborhoods. However, creating quality affordable housing is also a goal of the CAP.

5. Residential density consistent with master plan or underlying zoning, or additional density has been proposed in order to provide affordable housing.

The housing development proposed will provide ALL affordable housing and will include up to (40) one-bedroom units measured at approximately 766 square feet per unit. Each of these units will feature an identical layout and will include a private porch/balcony and storage area, which can be accessed from the exterior of the unit. These units have also been designed to abide by current (2003, revised 2007) MSHDA design standards.

To regulate affordability, all units will be reserved for households with incomes at or below 50% of the Area Median Income. These units will be made available through public advertising and maintenance of a waitlist, all managed and administered by Avalon Housing.

The project contains 100% affordable units to help justify the increased density requested.

6. Supplemental regulations include analysis and justification to determine what the benefit is, how it will be provided, and performance standards for evaluation.

See attached supplemental regulations.

Supplemental regulations have been drafted that will include all required information.

7. Safe, convenient, uncongested, and well-defined vehicular and pedestrian circulation within and to the district, and alternative transportation is encouraged.

The property is located along the AATA bus route 13 with a stop within a block. Within one-half mile, and only eight blocks away, is the Blake Transit Center. We are providing for nine compact car spaces. Twenty bicycle spaces will be provided, four open spaces for the tenants, and four covered bicycle spaces will be provided for the commercial. The below building parking will accommodate 12 additional bike storage spaces.

The property is located on North Main Street, which has well developed and maintained sidewalks and the property is easily accessible for pedestrian access to downtown and neighborhood shopping at Kerrytown, as well as the community center across the street.

This criterion appears to have been satisfied. Main Street is under the jurisdiction of the Michigan Department of Transportation (MDOT) and has received preliminary approval. The petitioner has submitted a traffic study and it has been reviewed and accepted by the City's Traffic Engineer. The project is located directly on a bus route within one-half mile from downtown.

# 8. Minimum necessary disturbance to existing natural features and historically significant architectural features.

After a careful site analysis, only four landmark trees will be removed and mitigated. The challenge in solving the design is working with the sloping nature of the site. The site slopes 25 feet from south to north as well as east-west cross slope. Most of the grading variations within the site are man-made and are erratic. Working the site design as best as possible within the dictates of the slopes forced the need to remove these trees.

All the trees that exist in the 15-foot buffer along the east property line will be retained, as will the existing grading in this area, ensuring minimal disturbance in this strip of landscape.

The retaining wall profile along the eastern side, that is allowing the 15-foot landscape buffer to remain intact and separated from the proposed building platforms, has been designed to protect the root zone of one of the landmark trees, enhancing the intended central open space.

There are no historical features to the site.

The most significant natural feature on the site is the floodplain and floodway. The project proposes to leave the three existing houses in the floodway, which the City's floodplain coordinator has determined is actually a detriment to the City. While the project is not located in an historical district, it will disrupt an historical streetscape on a main entryway to the City.

# STAFF COMMENTS

Systems Planning – North Main Street is under the jurisdiction of the Michigan Department of Transportation (MDOT), therefore these plans shall be sent to MDOT for its review and approval for the work in the North Main Street right-of-way. The Allen Creek Drain is under the jurisdiction of the Washtenaw County Drain Commissioner (WCDC). Therefore, permits/approval for the connection and extending the drain system needs to be granted by WCDC. A total of eight footing drain disconnections (FDDs) will be required for this project.

<u>Parks and Recreation</u> – The requested parkland contribution would be \$24,304, this amount may be modified upon further discussion by the petitioner with the Parks Planner. The central courtyard and amenities may help reduce the requested contribution.

<u>Community Development</u> – Community Development (CD) supports this project as an affordable housing project for the target income of 50% AMI or less. The Affordable Housing Needs Assessment supports the addition of these units at this location. CD staff also supports the provision of up to 40 one-bedroom units and believes there is a demand for one-bedroom units at this target income. This comment does not constitute an endorsement of the site plan or design of the building.

<u>Floodplain Coordinator</u> – The City Floodplain Coordinator does not support the proposed PUD, since the preservation of the three existing floodway structures is counter to sound

floodplain management and is a detriment to the City. Staff recommends removal of the three homes in the floodway and that the petitioner obtains the required floodplain permit, prior to this project being approved by the City.

<u>Planning</u> – Planning staff does not support this proposed rezoning and site plan as currently proposed. The length of the proposed building (210 feet), its height (ranging from 30 to 50 feet), and overall massing are inconsistent with the goals of the Central Area Plan (CAP) regarding neighborhood preservation, infill development, out of scale construction and historic preservation. The proposed PUD zoning significantly exceeds the area, height, and placement standards of the comparable R4C zoning district in this neighborhood. Furthermore, the public benefits provided by the project are not substantial enough to justify the resulting impacts to an intact, traditional neighborhood and streetscape.

Staff has had numerous discussions with the petitioner regarding the design and massing of the proposed building. Staff has suggested through review comments submitted to the petitioner and during project meetings that the project be redesigned to be more compatible with the surrounding neighborhood and closer aligned with the goals of the CAP. It has also been suggested by staff that reconsideration of the site design be given to accommodate removal of the three houses proposed to remain within the floodway. Although staff continues to support the provision of affordable housing proposed as a key element of this project, the overall design characteristics and concerns associated with the three houses proposed to remain within the floodway are significant land use issues that should be properly addressed in order to justify approval of a PUD at this particular location.

Prepared by Matthew Kowalski Reviewed by Mark Lloyd jsj/4/16/09

Attachments:

Zoning/Parcel Maps

Aerial Photo

Applicant's PUD Development Program

C:

Owner:

Three Oaks

608 Packard

Ann Arbor, MI 48104

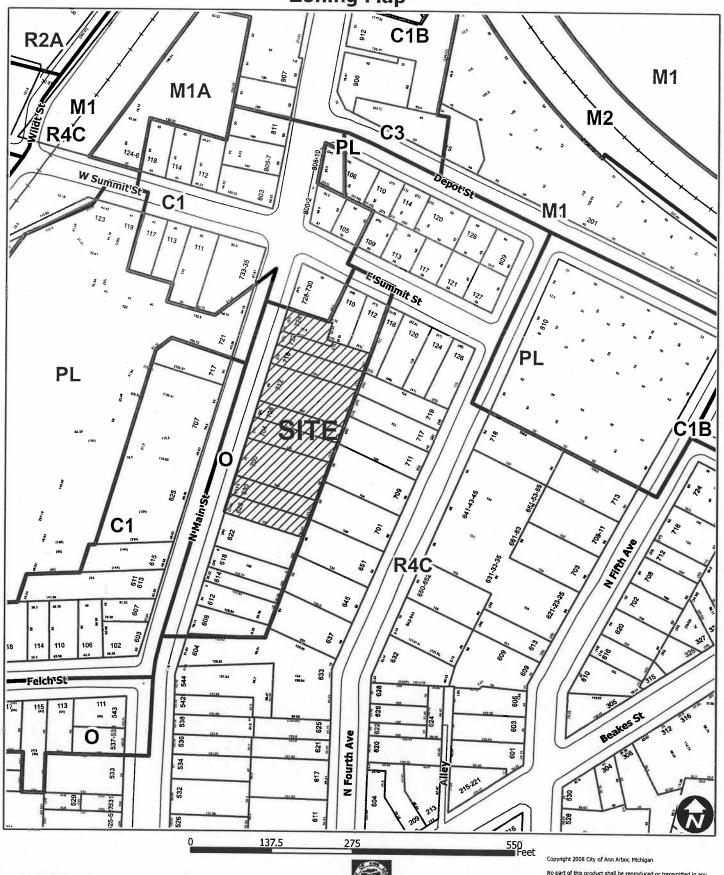
Petitioner:

Damian Farrell Design Group

3011 Miller Road Ann Arbor, MI 48103

Systems Planning File Nos. SP08-023

# Near North PUD Site Plan -Zoning Map-



Map Legend
□City Boundary
□Railroads



Maps available online: http://gisweb.ewashtenaw.org/website/mapwashtenaw/

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# Near North PUD Site Plan -Aerial Map-



Map Legend
□City Boundary
□Railroads



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# NEAR NORTH - PUD Development Program, Section 5:80(4)(d) -

1. List, describe and explain the objectives, purposes and beneficial effect(s) proposed to be achieved by the PUD zoning district. Refer to 5:80(6)(a).

The mission of **Near North** is to create an innovative, sustainable, mixed-use and affordable housing development in the northern gateway to downtown Ann Arbor that reflects the high standards of its future residents, neighbors, and the broader community while advancing the shared mission, vision, and goals of the City of Ann Arbor and the Near North development team. Our primary goal is to create a green mixed use and truly affordable development that complements both the residential character of the neighborhood and the North Main corridor. Near North is a joint venture comprised of two well-established and successful Ann Arbor organizations, Avalon Housing, Inc. ("Avalon") and Three Oaks Group LLC.

Near North is aligned with 42 out of 50 relevant Central Area Plan goals (see Appendix A) as well as a number of the City's current goals, including:

# Affordable Housing/Diversity

Adding a significant number of genuinely affordable housing units near downtown, developed under the MSHDA guidelines, will help the City achieve its longstanding goal of creating more affordable housing and diversity in the central area. The project is intended for residents whose household incomes are at or below 50% of Area Median Income (~\$33,000 per year). Near North's entry-level workforce, low-income housing will be affordable to lower-wage employees, especially those who work for downtown employers such as the University of Michigan, Google, restaurants, banks, law firms, non-profits, and others. Near North eligibility will be restricted by HUD, MSHDA, and City regulations and monitored by Avalon, who will serve as the property manager. Avalon will also seek funding to allow for the provision of up to 13 units of supportive housing available to special needs tenants with significantly lower incomes.

## Neighborhood Preservation

- Protecting, preserving, and enhancing the character, scale, and integrity of the neighborhood by:
  - Retaining and renovating three of the eight single family homes on the assembled parcels, restoring them to functional buildings that can be used for housing or offices. The Ann Arbor Flood Plan calls for any opportunity possible to be taken to remove existing structures from the floodway, The combination of the Central Area Plan calling for the preservation of housing stock, balanced with the desire on the part of the neighboring community members to lower the height and density of the originally proposed project, lead to the solution to retain some of the existing structures to both offset the lowering of the height and density and respond to the Central Area Plan.
  - Encouraging the preservation and potential improvement of the small neighborhood market by increasing its customer base by 40-60 people.
  - Minimizing the displacement of residential uses by commercial and institutional uses in the site, which is currently zoned "O" for office.

- Dramatically improving the condition of the backyards of the site in two ways that will also enhance the backyards of the single family homes to the east that face North Fourth Avenue:
  - Creating a large open, green space in the center of the block that will be viewed from the backyards of a number of these North Fourth Avenue homes. This courtyard space will be enclosed on three sides by the proposed new project and on the fourth side, by the required landscape buffer between this parcel and the parcels to the east. This courtyard is an important part of the concept of the design and will be terraced to be lower than the existing grade of the east landscape buffer zone, Access to the courtyard will be limited to the residents and their guests.
  - Preserving and enhancing the required 15' conflicting land use buffer along the west boundary of these homes, preserving existing trees, removing invasive growth and introducing an enhanced landscape in the buffer that will serve well for both the neighbors and this project.
  - Buffering sound from Main Street traffic for the neighboring properties to the east, especially with the courtyard design and the majority of the building's bulk lining the sidewalk along Main Street.
  - Reducing the front setback to allow the major portion of the proposed building to be located tight to the sidewalk along North Main, giving rise to the opportunity to create the large open space in the center of the block which will not only benefit this property, but also the properties that abut this land to the east.

This locates the higher parts of the building as far from the neighboring houses as possible, allowing a wide opening of this outdoor garden area to be east facing. This closeness to the sidewalk along Main also affords the opportunity to create direct entries off the sidewalk to the units facing Main, making a more open, visually accessible and interesting pedestrian experience along the sidewalk.

There are a number of buildings and houses along the Main Street corridor, which have relatively small front yards, in some cases, no setback at all, creating a more urban design. Bringing buildings close to the sidewalk on major arterials has been proven to be a successful device in traffic calming by creating the feel of a narrower street.

# Condition

Raising the standard of appearance of the existing parts of this property that have been allowed to deteriorate. Raise this area to the standards set by other property owners surrounding the site who have made substantial investments and commitments of effort, time and pride into their properties. The result will be one of creating continuity of well cared for buildings and yards along this portion of Main Street and in the neighborhoods surrounding the Near North development.

# Infill Development

- Ensuring that new infill development is consistent with the scale and character of the existing neighborhood by:
  - Breaking up the project into several blocks with separate footprints to reduce the scale and then joining the blocks with glassed and enclosed bridge connectors.
  - Limiting the height of the buildings to 5 stories at the highest, stepping in a variety of directions to three and two stories.
  - O Taking advantage of the, two and one-half storey, 25-foot grade slope from the southern boundary to the northern in order to further limit the scale of the buildings relative to adjacent housing by lowering the two main building platforms to be below the existing grade of the adjacent houses and the 15' landscaped buffer to the east, effectively lowering the project into the site..
  - Adding the large open space to the east of the buildings, creating a sizeable, inner block green space.

# Environmental and Other Community Benefits

- Removing one existing residence that is in the flood way, thereby improving the flow conditions in the event of a flood. Stormwater detention and footing drain disconnects, reduction of number of access drives onto Main, replacing CO2 heavy buildings with green buildings.
- Using the building forms to improve the image of the northern gateway to downtown Ann Arbor on Main Street
- Adding 40 to 60 residents in this location is highly compatible and potentially of considerable benefit to the Ann Arbor Community Center and the local market.
- In addition, the opportunity for a mixed-use project in this location will increase the efficiency, liveliness, and vibrancy of the site for the immediate neighborhood and the community.
- 2. Explain why the beneficial effect cannot be achieved under any other zoning designation. If applicable, explain how the beneficial effect exceeds the requirements of any existing standard, regulation or ordinance. Refer to 5:80(6)(b).

The beneficial effect of this project is the provision of a substantial and meaningful contribution to true affordable housing in the central area, adjacent to downtown. The land that has been assembled for this proposal is on Main Street in a prominent location and a balance of density and desirability of this location gives rise to the number of units needed to make this very specific type of project viable.

The current "O" (office) zoning allows any of the "R" zoning use classifications; R4C housing being the most applicable to a site in this location and in alignment with the Central Area Plan. The "O" zoning is not beneficial to the neighborhood, nor consistent with the residential uses of the neighborhood, and the allowable housing density possible on this site under the R zoning, the impact of the narrowness of the site, the effect of the flood plain and the impact of setbacks and required buffer zones, makes a single family residential project unfeasible

under this zoning, An added deterrent to a permitted residential use is the value of the land on this US 23 Business Loop as well as the hardships imposed on this property that are outlined above.

In addition, the narrowness of the site makes designing the kind of housing called for in the "O" zoning very difficult as the market precedence for this style of multi-family housing calls for attached garages. This site is better suited to a housing development where the parking can be separated from the living units and placed in the flood plain and/or below the building.

Any attempts to accommodate some of the landmark trees along the eastern boundary, will necessitate some reductions in the remaining buildable envelope, further strengthening the case for a building that hugs the western boundary and keeps as far and as low as possible relative to the neighbors to the east. This then creates the pressure to raise the height of the building along the western property line, (Main Street) and the kind of solution being proposed, is the result.

Several of the existing houses on this parcel are in bad repair. The reality of these houses being in the financial reach of individual or families seeking affordable housing is slight. The location on Main Street and the associated land values, in combination with the investment that would be required to repair, update and improve these structures will most certainly be outside of the affordable range of a household that is living below the 50% AMI. An affordable housing development as is being proposed allows for a feasibility that makes the units available as genuine affordable units, sharing building and development costs over a volume that makes the goals of the project attainable.

The Central Area Plan also refers to the desire to incorporate affordable housing within the fabric of the existing central area which this proposal addresses in a very significant manner.

This proposal is also beneficial in that it provides housing with a small mixed-use component, and removes the possibility of an office building or other permitted commercial uses that the current zoning allows.

In summary, the only practical solution under the existing zoning is a 2 to 3 story office building that fills the majority of the remaining building envelope, fills most of the flood plain and flood way with parking as well as parking below the building, leaving only the setback areas as open space. The nature of office building design makes for a tough challenge in breaking the façade and massing into residentially scaled parts.

Creating the size and nature of the proposed open space cannot be achieved under current zoning.

Creating a meaningful contribution to affordable housing in the downtown area cannot be done under the current zoning.

As noted above, we have prepared Appendix A to illustrate how Near North is aligned with 42 of the 50 relevant goals in the Central Area Plan.

3. Explain why the use or uses proposed will not have a detrimental effect on public utilities or surrounding properties. Refer to 5:80 (6)(c).

The PUD will not have an adverse effect on the existing public utilities. The current zoning is Office and the proposed uses within the PUD are residential, retail and office. There is sufficient and adequate utility supply to the site.

The proposed PUD will be comprised of Affordable Housing units, that will add at most, 60 people to the utility system of this area.

4. Explain how the proposed PUD objectives, purposes, beneficial effects, and land uses conform to the adopted Master Plan and policies of the City. If the proposal does not conform to the City's adopted plan and policies, provide detailed, compelling justification. Refer to 5:80 (6)(d).

There are two issues that this design team sees as important issues that seem contradictory in the Future Land Use Plan that is included in the Central Area Plan.

The first is that this particular portion of the block where this project is being proposed, is indicated as **single and two family housing** with higher density infill being discouraged. On the other hand, the eastern half of the block, and indeed the remainder of the adjacent area is designated as **Multi Family**. With the way in which this block has evolved since the plan was drafted, this would seem contradictory.

The greatest amount of investment in preserving the single family housing has occurred in the area encouraging multi-family which would suggest that it would be acceptable to either assemble multiple or individual parcels for redevelopment, as land became available and create projects that would have a significant change to the predominantly single family neighborhood that currently exists. The same argument that this does not conform with the Central Area Plan, which is being strongly used against the Near north site, would not have much ground to stand on.

In the western half of the block where Near North is proposed, the opposite has happened. With one or two exceptions, little investment has been made to maintain the houses and the land, most likely as a result of these homes being predominantly rental units and their location on the noisy and extremely busy business route. It would seem that areas that have eroded over time are best suited for redevelopment than areas that have increased in care, investment and character.

The other critical factor, is that the Future Land Use Plan does not recognize in any way the **flood plain** and flood way location and its impact on land and development. With the Ann Arbor Flood Plan in place and the strong comments from some of the departments at City Hall about the need to remove any and all buildings in the flood way wherever possible, this would seem to be a major gap in the ability to apply the Central Area Plan to these affected areas. These affected areas form such a large portion of land through the downtown and surrounding areas that it's hard to accept that the Plan is intended as just a guide, and based on the emphasis that both staff and the citizens are placing on the adherence to the CAP, this document is being adhered to as the anchor to evaluate project proposals. The flood plain forms an extremely important part of evaluating development and land use in this area.

#### Zoning:

The current zoning is O. (Office) This zoning does allow any permitted use of the R Dwelling Districts. The most dense of the R districts that is appropriate to this site and its location is R4B. This zoning is not consistent with the area. Developing this site under allowed zoning taking in to account its narrowness, the slope, landmark trees, flood plain and flood way, conflicting land use buffers and the setbacks, minimizing curb cuts to improve traffic safety and the desire to create the minimum impact on the properties of the neighbors to the east and south, leaves a building envelope that is difficult to work with and it's hard to create any solution that doesn't fill the remaining building envelope to its edges, making it desirable to obtain a number of variances to create a project on this site.

# Floor Area Ratio:

The O zoning allows a maximum of 40% useable floor area. This would be 20,737 square feet of allowable gross building area.

This project is proposing a gross building size of 50,872 square feet, which includes the three remaining houses on the site and exceeds the maximum gross area under the allowable uses.

### Minimum Lot Area per Dwelling:

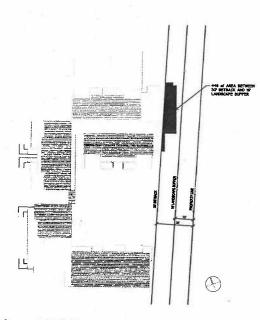
The R4B zoning allows 2900 square feet as a minimum lot area per dwelling. This would allow a 17 unit project, which, given the site constraints detailed above, would be very difficult to achieve. The lot area per dwelling for this proposal is less than this minimum at 1329 square feet of site area per dwelling.

### **Height Restrictions:**

Because of the impact of the flood plain across the northern portion of the site, about one third of the site is unbuildable. (MSHDA doesn't allow building in the Flood Plain) This creates a building solution that, in parts of the building, exceed the maximum height restrictions of 30 feet in the R4B zoning and 40 feet in the "O" zoning.

### Setbacks:

In an attempt to mitigate height and have the least impact on neighboring houses to the east, by locating the building as far west on the property as possible a 7.5 foot front setback is being proposed in lieu of the 25 feet required for "O" and R4B.



The proposed side yard setbacks meet the requirements of the more stringent "O" zoning.

The rear yard setback between "O" and residential is 30 feet, as is the rear yard requirement for the R4B district. The project is proposing a setback of 17 feet 6 inches at a single point of the building. The area of the building within the 30 feet setback is 487 square feet. See attached diagram.

# **Open Space Requirements:**

The minimum open space for the "O" zoning is 40%. The minimum open space for the R4B is 55%. This project is proposing an open space of 54.8%.

5. If increased densities are requested in order for the PUD to provide affordable housing for lower income households, describe the type of housing, number of units, and how the affordability and availability of the units will be assured.

Refer to 5:80(6)(e).

The housing development proposed will provide ALL affordable housing and will include up to (40) one bedroom units measured at approximately 766 square feet per unit. Each of these units will feature an identical layout and will include a private porch/ balcony and storage area, which can be accessed from the exterior of the unit. These units have also been designed to abide by current (2003, revised 2007) MSHDA design standards.

To regulate affordability, all units will be reserved for households with incomes at or below 50% of the Area Median Income. These units will be made available through public advertising and maintenance of a waitlist, all managed and administered by Avalon Housing.

6. Describe how vehicular and pedestrian circulation will be provided and how the proposal will encourage and support alternate methods of transportation. Refer to 5:80(6)(g).

The property is located along the AATA bus route 13 with a stop within a block. Within a ½ mile, and only eight blocks away is the Blake Transit Center. We are providing for nine compact car spaces. 20 bicycle spaces will be provided, four open spaces for the tenants, and four covered bicycle spaces will be provided for the commercial. The below building parking will accommodate 12 additional bike storage spaces.

The property is located on North Main Street, which has well developed and maintained sidewalks and the property is easily accessible for pedestrian access to downtown and neighborhood shopping at Kerrytown, as well as the community center across the street.

7. Explain any disturbance of existing natural features or historical features of the site and why this disturbance is necessary. Refer to 5:80(6)(h).

After a careful site analysis, only four landmark trees will be removed and mitigated. (Please see sheet A-6 for alternate site plan analysis.)

The challenge in solving the design is working with the sloping nature of the site. The site slopes 25 feet from south to north as well a east-west cross slope. Most of the grading variations within the site are man-made and are erratic. Working the site design as best as possible within the dictates of the slopes forced the need to remove these trees.

All the trees that exist in the 15' buffer along the east property line will be retained, as will the existing grading in this area, ensuring minimal disturbance in this strip of landscape.

The retaining wall profile along the eastern side that is allowing the 15' landscape buffer to remain intact and separated from the proposed building platforms, has been designed to protect the root zone of one of the landmark trees, enhancing the intended central open space.

There are no historical features to the site.

8. List any modifications of the City Code that are requested; provide justification for each modification. Refer to 5:80(2).

None known at this time.

Supplemental Regulations, Section 5:80(4)(e) - Provide draft supplemental regulations. The regulations must include, but are not limited to: permitted land uses; accessory uses; minimum and maximum standards of lot-area; minimum usable open space in percentage of lot area; minimum required front, side and rear setbacks; minimum and maximum height and number of stories; minimum and maximum number of dwelling units and lot area per dwelling unit (if residential); and minimum and maximum numbers of vehicle and bicycle parking spaces. Additionally, the supplemental regulations must provide justification for the beneficial effect(s) provided and detailed performance standards sufficient to evaluate the proposed development and whether the stated beneficial effect(s) is achieved. A sample format is attached for your information. Refer to 5:80(6)(f).

See attached Supplemental Regulations

Three Oaks/Avalon Housing

# **Final Citizen Participation Report**

- 1. See attached Ann Arbor News Article and Notice of Meeting Mailer
- 2. Approximately 600 citizens were notified of the meetings.
  - a. See attached sign in sheets for both meetings
    - i. There were approximately 75 Citizens at the first meeting
    - ii. There were approximately 55 Citizens at the second meeting.
    - iii. There were approximately 42 Citizens at the third meeting.
- 3. In addition to the required attachments above, a DVD/Video and power point presentations of both meetings is available upon request for viewing and will be forwarded to the leaders of the appropriate Community Groups.

# 4. <u>Comments/Concerns/Issues/Problems from Citizens:</u>

**Proposed Development Statistics:** 

60 Single Bedroom Units/60,000 SF/38 Surface Parking Spaces/All existing houses removed/One Footprint/Mostly six story/5' from Main Street Sidewalk

## a. First Meeting (Monday December 15, 2008 7:30pm)

- i. What is the capacity of the Neighborhood to support Affordable Housing? Answer: There is a shortage of affordable and workforce housing in the city and downtown is too expensive to make a development work.
- ii. What is the average size of the units? Answer: 750 SF
- iii. What is the current zoning? Answer: Office
- iv. This isn't downtown. This is the North Central Area.
- v. What is the age and capacity of the infrastructure in this area? Answer: Water pressure is good due to low elevations; Storm water will be improved by allowing water to flow better and removing footing drains; Load on Sanitary will also be reduced.
- vi. Concern with light for security that isn't annoying Answer: We will meet City Standards.
- vii. Building looks institutional
- viii. Why no family housing? Answer: The supportive housing units, in particular, work best with one-bedroom units at this location. For extremely low-income families—who often work late shifts and can not afford memberships in recreational facilities—this site will prove challenging with younger children. A family development should have a good amount of green space and play space

- that is visible for parents and safe for children. N. Main makes this site difficult given those goals.
- ix. Development should complement the neighborhood not dominate it.
- x. How does a building surrounded by parking fit into the neighborhood?
- xi. It seems there are problems inherent to the proposal self imposed by the development team. Answer: We are sure there is some common ground that can be found.
- xii. How is this different than four (4) years ago? Answer: This is affordable housing not market rate.
- xiii. Why come back to this same density, size, massing and number of units?

  Answer: Optimize the site for the most benefit to those needing affordable housing. We have to speak for those residents that don't live here yet.
- xiv. The proposed project is too big.
- xv. Can we mix different uses and densities for different people? Answer: MSHDA requires all unit sizes to be spread equally among different income and special needs targeting..
- xvi. Main Street is part of the neighborhood.
- xvii. Will there be regulations to keep balconies free of clutter? Answer: Yes, this will be a management issue handled by Avalon.
- xviii. The project needs to integrate into the neighborhood more.
- xix. Respect the fabric of the neighborhood, pattern and rhythm, spacing and roof lines. Answer: The development team will incorporate comments and present and new and different design by Wednesday's meeting.

# b. Second Meeting (Wednesday, December 17, 2008 7:30pm)

**Proposed Development Statistics:** 

39 Single Bedroom Units/46,000 SF/27 Below Building Parking Spaces/14 Surface Parking Spaces/Three (3)I existing houses to remain/Four (4) Footprints/Mostly three story/7.5' from Main Street Sidewalk/4,000 SF Retail added

- i. Can Courtyard open up to Main Street more? Answer: We feel it is important to preserve the existing trees in the buffer zone and maximize the distance from the neighbors to the east. The building will also reduce the noise from Main Street for those neighbors and the residents using the courtyard.
- ii. Are we going through Avalon's affordable housing waitlist for residents? Answer: Yes we are looking at need and those on the lists however the rent levels and funding requirements may also require specific wait list procedures..
- iii. Will supportive housing units be consolidated or spread throughout the project? Answer: MSHDA requires them to be spread throughout the projects.
- iv. Is there a retaining wall along the east property line? Answer: Yes, a partial wall will be along the east property line.
- v. How many units per floor? Answer: it varies between two (2) and six (6) depending on which floor and which "wing".

- vi. Where do residents shop for food? Answer: Same as other downtown and near downtown residents. Everyone makes choices based on their own circumstances and desires and there are tradeoffs for these choices.
- vii. Keeping existing houses is good
- viii. Why build affordable instead of market rate? Answer: Help City achieve affordable housing goals; less risk to development team because of tax incentives; counter balance gentrification of near downtown areas and provide needed workforce, affordable and supportive housing.
- ix. Good job restructuring project height and density
- x. Thank you for listening
- xi. Under building parking is good
- xii. Courtyard behind building is good
- xiii. Not sure about retail What about office? Answer: We will continue to consider both options.
- xiv. Please circulate updates and changes to community groups via email.
- xv. Significant changes moving in the right direction of being compatible with the neighborhood
- xvi. Articulation of the façade vertically and horizontally is good
- xvii. Would it work better to have retail on the street? Answer: We will continue to develop during design.
- xviii. Gateway image is important
- xix. Changes are in the right direction
- xx. Conflict with East/West Orientation? Manipulating courtyards accordingly will resolve
- xxi. Appreciate the Gable Roofs
- xxii. Gated entry to Site? Answer: Yes it is intended that we will have gates.
- xxiii. Add details, curves, columns, etc.
- xxiv. In the helpful direction for everybody
- xxv. This is leaps and bounds past Monday night.
- xxvi. Too much brick can there be greenwalls? Answer: We will continue to develop during design.
- xxvii. This appears more residential now.
- c. The changes to the project between the first and second meeting are the major response to the citizen's questions. The development team completely redesigned the site and building to accommodate most of the concerns of the citizens. We will continue to attempt to incorporate more concerns during the design development phase of the project.

### Additional Comments and Replies:

Neighbors to east seem to favor the current courtyard orientation, but still feel that the Central Area Plan should be followed. Community discussion showed a variety of opinions concerning the east-west orientation.

Good support for the idea of the courtyard and the street entries. We were asked if we can move the building further away from the sidewalk. We have pushed it back 2.5'.

Question about amount of glass/size of windows: We explained that this brought more light than a traditional single-family style window. We shared our attempt to include a number of traditional design details, materials and principles (peaked roofs, overhangs, siding materials etc.) into a more modern approach that recognizes the connection of a new contemporary building to the traditional look of the surrounding areas

Questions about residents incomes and property management: Workforce income caps will be roughly \$33,000 for a two-person household. Rents are below market and affordable to lower wage downtown workers. Supportive housing tenants will have significantly lower incomes and the project will utilize rent subsidies. Avalon has significant experience with supportive housing tenants and with this area.

What secures this project as an Avalon project for it's lifetime.? What stops it becoming an apartment project? The project has funder restrictions that last from 15 to 30 years, depending on the funder. Additionally, Avalon negotiates agreements so that at the end of the compliance period Avalon retains control/title to the property with the sole goal of preserving affordability.

Reactions to including the commercial space (with a focus on the market) in the project. There was mixed opinion about the benefits/risks of incorporating the existing market into the proposed commercial space.

# d. Third Meeting (Wednesday, January 14, 2009 7:00pm)

**Proposed Development Statistics:** 

39 Single Bedroom Units/45,000 SF/37 Below Building Parking Spaces/5 Surface Parking Spaces/Three (3) existing houses to remain/Four (4) Footprints/Mostly three story/7.5′ to 10.0′ from Main Street Sidewalk/2,600 SF Retail

- i. Does Avalon consider 1 Bedroom to be a unit? Answer: In this type of development each apartment is considered to be a unit?
- ii. How does this project fit Avalon's mission? Answer: Very well aligned.
- iii. Was Avalon looking for this type of project? Answer: Yes, for over 2 years.
- iv. What is Avalon's long term relationship with Three Oaks? Answer: They will be co-owners and partners for at least 15 years. Avalon will be Property Manager.
- v. What does Property Manger mean? Answer: Avalon will be responsible for all tenant screenings, enforcing leases and being good neighbors. This is a natural growth and evolution for Avalon.

- vi. Please explain the finance issues of tax credits: Answer: the partnership will compete for the credits and then sell them to investors to finance the construction of the development.
- vii. Why don't we add on to the existing houses? Answer: 5 years ago the decision was made not to purchase subdivided homes due to the maintenance challenges (electrical circuits, plumbing criss-crossed, etc.) Preference is in new or purpose built properties.
- viii. Has it been considered to add on? Answer: Not economically feasible not enough revenue.
- ix. What is the asking price for the combined properties? Answer: Call Bill Godfrey also contact Jennifer Hall to evaluate how to buy houses.
- x. Explanation PILOT requires 30 years MSHDA requires 20 year mortgage.
- xi. The stigma of low income neighbors is very private, shy people, will they be subject to bullying? Answer: The projected residents are embarrassed to live in low quality housing. Currently there are no vacancy problems in other low income housing and the tenants are happy. Avalon's good reputation for screening and services means the residents are proud and it is safe to live in Avalon Housing.
- xii. Explanation ADC report and comments were received last week. There were floodway and floodplain issues; eliminate the south drive which resulted in the building moving 8' to the south and greenspace was increased; possible grant to remove houses in floodway and create a park; possibly extend offer to Summit Market; a barrier free south entry was added.
- xiii. How big is the courtyard? Answer: 62' x 60'
- xiv. **Explain commercial space?** Answer: located on north portion of project not part of MSHDA project or funding.
- xv. Is retail in the floodplain? Answer: Yes, but it is 12" higher than the floodplain.
- xvi. Does Mixed use help get the PUD approved? Answer: Maybe neighborhood markets are a goal of the Central Area Plan.
- xvii. What is the height of the center part of the building? Answer: 36' plus peaked roof of 10'.
- xviii. Can peaks be eliminated? Answer: Yes
- xix. What is the height allowed by office use? Answer: 45'
- xx. How many parking spaces are included? Answer: 37 below building and 5 at grade.
- xxi. Can the project rendering be placed in context with the neighborhood buildings in a photo format? Answer: yes
- xxii. What does "Green Building" mean? Answer: Sustainable materials and systems; recycling both during and after construction; energy star efficiency appliances; building envelope and insulation increases; solar screens; storm water system?

- xxiii. What is the set back at Main Street? Answer: varies from 7.5' to 10' comment: the entire neighborhood is not opposed to having a zero setback this would capture the character of the west side of N. Main. Maybe the retail space can be moved to a zero setback.
- xxiv. What is the size of a unit? Answer: 750 SF.
- xxv. Comment: The neighbors are impressed with the working attitude of the development team. Concerned with the scale and the precedence of demolishing houses committed to the Central Area Plan. Economics of retaining the houses doesn't work for low income housing.
- xxvi. Does attaching affordable housing allow 3 Oaks to get out of a bad investment? Answer (From Peter Pollock): lots of reasons that people develop this type of thinking is narrow and negative very extreme.
- xxvii. What scale is acceptable? (question from Bill Godfrey to citizens) Answer (from Ray Detter) rehab the existing houses with not additions.
- xxviii. Comment: (from Sandi Smith) regardless of what 3 Oaks paid for the properties rehab is not possible don't pick apart motives respond to what is being presented
- xxix. Comment: (from John Hilton) project was rejected 4 years ago due to density new problem because of height? Triple the allowable FAR and double the underlying zoning.
- xxx. Other comments: (from citizens): increased density can be good; doesn't seem as isolated peaked roofs don't work consensus after discussion to have the peaked roofs removed; design should be interesting design by committee doesn't work; individual houses marching down the street; use siding not masonry; small yards; pattern and rhythm; contrast of existing; significant change; how much is acceptable? How many units are acceptable? Decide the answers to these questions and then let the design team work; has row housing been considered? The character of the neighborhood is preserved by the people that are living there not just a box to look at it is someone's home. The neighborhood doesn't change.
- xxxi. How many units are lost if the top floor is removed? Answer: 7
- xxxii. What is the public benefit? Answer: we are setting a high bar 100% affordable housing this is not just a development disguised as affordable.