

Downtown Premium Prioritization

City of Ann Arbor

Joint Meeting of City Council and Planning Commission

June 13, 2016

Premium Evaluation

R-14-025 passed 1/21/2014

List of directives

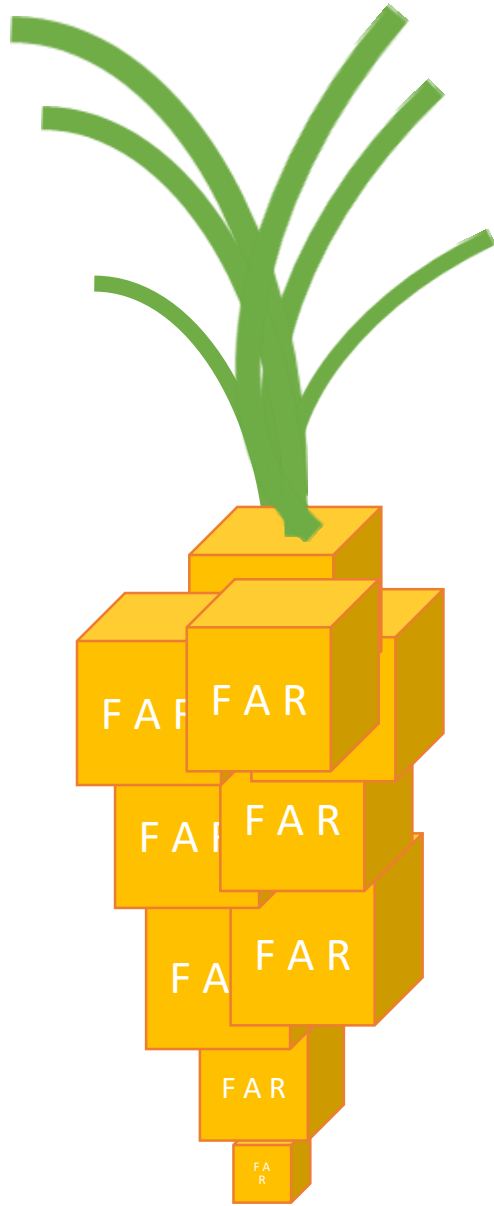
Recommendation	Status
Rezone 356 E. Ann	Completed
Reduce height limit, with maximum tower diagonal in East Huron 1	Completed
Require design standards to receive premiums	Included
Reduce residential premium	Included
Review options for additional affordable housing funding	Housing & Human Services Advisory Board
Eliminate affordable housing super premium	Included
Evaluate effectiveness of premiums regularly	Ongoing
Rezone portions of East Huron 1 & East Huron 2	Completed
Consider changes to D1 where abutting residential on S. University, Thayer & Ann	Scheduled after premium amendments

Premium Evaluation

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Directives addressed in amendments proposed

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Purpose of Evaluation

Are premiums aligned with current development market and consistent with goals for downtown Ann Arbor?

Premiums currently incentivize:

- Residential units
- Affordable housing units
- Green building
- Historic preservation
- Pedestrian amenities
- Public parking

Premium Amendment Process

Gather public input
& Research

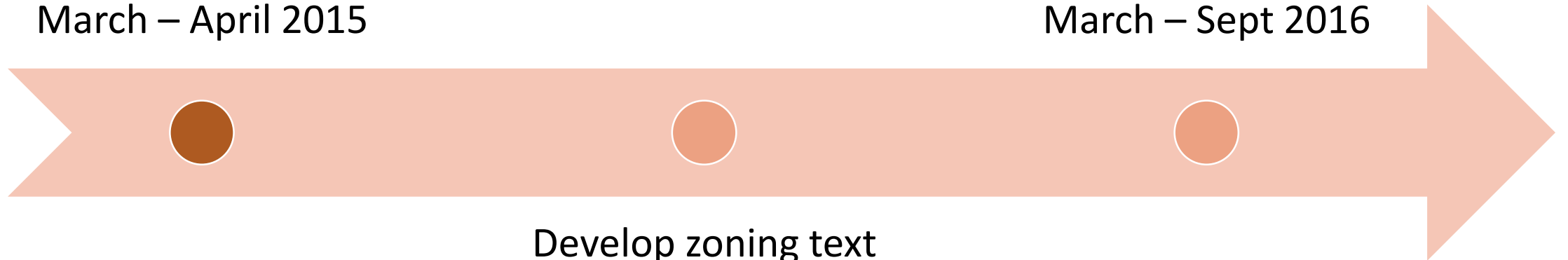
March – April 2015

Zoning text
amendment
approval

March – Sept 2016

Develop zoning text
amendments

May 2015 – February 2016



Premium Amendment Process

Planning Commission wanted public input on:

Quality Design

Energy Efficiency

Housing Affordability

Premium Amendment Process

8 working session discussions

Environmental Commission, Mayor's Downtown Marketing Task Force, Downtown Citizens Advisory Council, Housing & Human Services Advisory Board, Historic District Commission, Energy Commission, Design Review Board and Ann Arbor Preservation Association

3 focus groups

affordable housing residents, young families, young professionals

5 community coffee hour and happy hour drop-in sessions

6 interviews with key stakeholders:

architect, developer, OECD staff, Chamber of Commerce staff, real estate brokers

Ann Arbor Open City Hall survey:

43 respondents

1 Community Meeting

12 individual phone conferences and meetings upon request

Ordinance Revisions Committee discussions:

- March 24, 2015
- June 23, 2015
- August 25, 2015
- September 21, 2015
- November 23, 2015

Planning Commission discussions:

- March 10, 2015
- June 9, 2015
- November 10, 2015
- January 12, 2016
- February 9, 2016
- Public Hearing: April 19, 2016

Public Comments Summary

- Those who participated represent passionately, interested parties ranging from residents to developers
- Many wanted premiums eliminated
 - Regulations should preserve a mid-rise downtown
 - Regulations should allow a high-rise downtown
- Require better design
- Require energy efficiency
- Premiums should encourage housing affordability
 - Most popular with residents
 - Hardest to make work for developers

State Policy Context

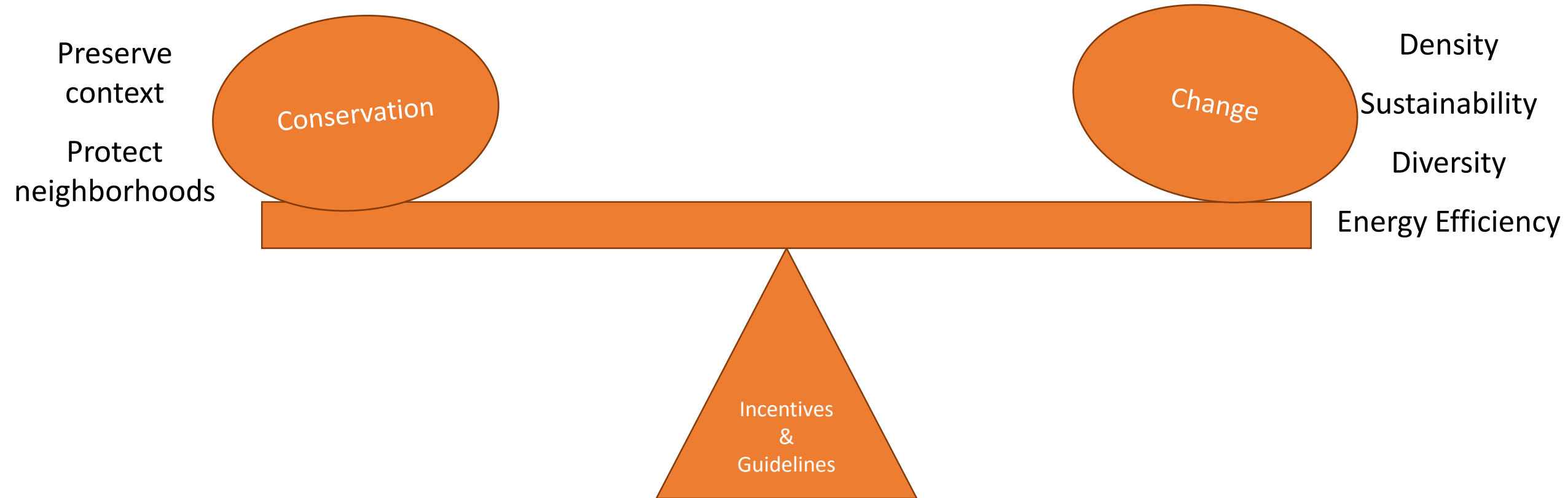
Cities can require

- Design Standards

Cities cannot require

- Housing Affordability
- Energy Efficiency

Ann Arbor Policy Context for Downtown



Guidelines for Premium Amendments from Planning Commission:

Market not providing

Public support for incentives

Aligns with City goals

Cannot be required by the City

Proposed Zoning Amendments

Draft June 8, 2016

Building Front Setback

- Increase maximum from one foot to five feet
- Allow up to 20% building exceed maximum front yard setback on all streets

Increased sidewalk area – better design



Building Design Requirements*

Would not be allowed



Allowed



*Could be modified through Planned Project option

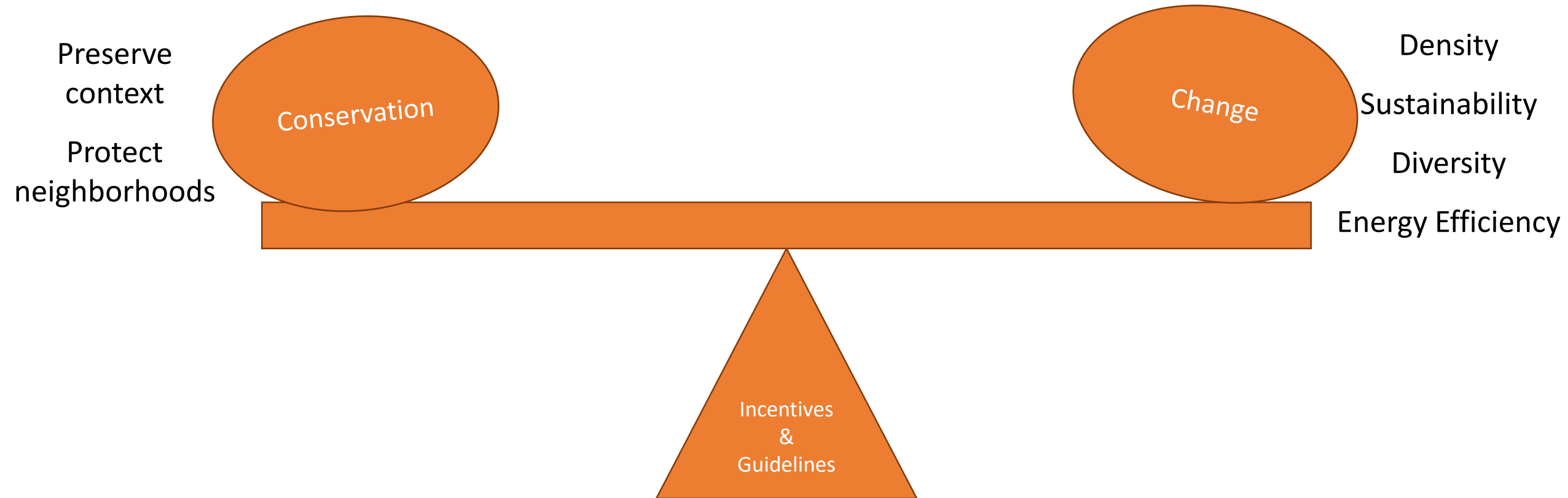
Premium Prerequisite Changes: LEED to 50% less GHG & 5% lot area pedestrian amenity

2003 Commercial Building Energy Consumption Survey

- Decrease by 50% green house gas
 - Closer to City goals than LEED
 - Easier to meet in northern climate than LEED v4
- Pedestrian amenity of 5% lot area required instead of incentivized



Change from menu of premiums to two-tier system



Change from menu of premiums to two-tier system

Current

Select as many as options as wanted from menu of six options

Premium FAR ranges from 1-500 FAR, based on options selected

Proposed

Pick one of five options

- Two options in Tier 1
- Three options in Tier 2

Premium FAR capped

- Tier 1: 100 FAR in D2, 150 FAR in D1
- Tier 2: 200 FAR in D2, 300 FAR in D1

Tier 1: Easily attainable to support a sustainable downtown

100 FAR in D2/150 FAR in D1

Residential Use

40% improvement over state energy code



Tier 2: Significant investment to help meet unmet community needs

200 FAR in D2/300 FAR in D1

10% Workforce Housing (50-80 AMI)

LEED v4 Gold or Platinum

70% less green house gas



Discussion

Do the highest priority incentives, workforce housing and energy efficiency, align with City Council strategies and priorities?

Does the City Council agree with the two-tiered approach?