

June 10, 2025

To: Members of the Planning Commission (Wonwoo Lee, Chair, Donnell Wyche, Vice Chair, Sara Hammerschmidt, Secretary, Lisa Disch, City Council Representative, Ellie Abrons, Daniel Adams, Sarah Mills, Richard Norton, Julie Weatherbee), Brett Lenart, Planning Manager.

From: Kami Pothukuchi, PhD, k.pothukuchi@gmail.com; 616 Miller, Ann Arbor, MI 48103

Re: Support of Comp Plan update; I urge more actions to encourage ADU infill

I write in support of the draft update to the Comprehensive Plan, “Ann Arbor for All.” In particular, I applaud the effort to increase residential density along major transportation corridors as designated in the Transition Zones.

I urge you and the City's elected officials also to encourage and support increased middle-housing infill development in these zones, and more generally, within older neighborhoods, with the three following points.

One, the City should encourage infill that takes advantage of existing NOAH (Naturally Occurring Affordable Housing) homes, high levels of equity in or mortgage-free homes owned by residents of these neighborhoods, and existing codes and ordinances that support conversions and additions, such as the revised ADU (Accessory Dwelling Unit) ordinance. Two, such infill offers market-based provision of affordable units within existing neighborhoods to meet the needs of diverse households, is more affordable than new construction, and creates economic and other forms of support for existing residents who wish to age in place. Three, harnessing these assets to meet pressing needs—including via assured long-term affordability—can be accomplished without public dollars but will require different forms of leadership, which I believe are present and available in our city.

As you know, both the City and County have seen household growth at rates higher than that of the population as a whole, with more one- and two-person households than before. Over the last 30 years, for example, Ann Arbor's population grew by 13% while the number of households grew by 20%; the data for Washtenaw County are 32% and 40% respectively. Housing costs—both rental and ownership—have also skyrocketed. At the same time, many older neighborhoods contain large homes owned by residents in shrinking households, who have significant equity in their homes or own homes outright. Some homeowners might wish to downsize to a smaller unit but wish to avoid higher housing costs, relocation and related loss of networks and amenities, and higher taxes.

These facts, along with rising costs of transportation and preference for walkable access to amenities, call for more infill units, including those that are smaller than typical single-family detached homes. Such infill housing also helps retain the overall feel of neighborhoods with designs that fit in and are contextual to the existing fabric. They are also less disruptive to build than concepts that involve wholesale demolition and redevelopment of parcels.

Indeed, a handful of homeowners I know are interested in investing in an ADU (via conversion of and/or addition to their older homes), and have the wherewithal to raise related financing. However, they remain daunted by the numerous, complex, and uncertainty-fraught steps from ideation to realization, to obtain permits and approvals, create plans, and oversee construction. What's more, at least three homeowners I know are willing to commit to long-term affordability of the units—via deed restrictions or another appropriate vehicle—if the development process were more accessible and

expeditious, and less uncertain than it is currently, and if separate sale of such affordability-deed-restricted accessory units were permitted by code.

The planning department could identify steps to facilitate such developments. One step would be to explore how facilitate a scaled-up ADU development process, including perhaps by mirroring efforts by the City's Sustainability and Innovations Dept. to increase adoption of rooftop solar in the city. I am mindful that ADU development differs in scale and scope from rooftop solar. However, steps taken to identify and vet qualified vendors, negotiate group purchasing rates and bring homeowners together, connect homeowners to pre-development advice and free estimates, expedite permitting, and work with all parties from the beginning to the end, all have resulted in widespread implementation in ways that have been lacking for ADUs despite the 2016 adoption of relaxed standards for the latter. (The availability of federal tax credit, of course, is an undeniable incentive in solar-adoption). Getting infill housing built including via ADUs in existing neighborhoods is also important to Ann Arbor's A2Zero goals so perhaps more active coordination with the Dept is needed than is currently present.

A second step would be to review the ADU ordinance with a view to relaxing standards for units that are committed to specific affordability stipulations. Standards related to minimum parcel size, maximum floor area, owner-occupancy, and sale separate from the principal unit are some examples of standards. Allowing the separate sale of ADU units with affordability-related deed restrictions or requiring their rental for a certain number of (say, 10) years to Housing Choice Voucher households or those with essential lower-wage workers employed in the city, might be examples of standards adopted for such units. Yet other steps might be to review possible fast-tracking of reviews of such proposals, reducing or even waiving infrastructure charges, and offering property-tax breaks and other incentives to encourage older house-rich households to participate in such efforts. Finally, the city might partner with university faculty to assess the feasibility of such a systematic approach that increases density by harnessing existing resources and avoids the large-scale disruptions of and opposition to large scale redevelopment.

Elected and appointed officials such as yourselves could help bring together representatives of various city departments (Planning Services, Sustainability and Innovations, Office of the Assessor, Construction and Building, Housing Commission, etc.), and together with larger employers, leading developers and contractors, banks, the Ann Arbor Community Land Trust, and other relevant stakeholders, explore steps to scale up “affordable ADU” infill especially in Transition Zone neighborhoods. I have studied similar efforts in other cities such as Seattle, Portland, and Los Angeles, and am happy to serve as a resource for such initiatives.

Ann Arbor is a city uniquely blessed with attractive employment opportunities, excellent amenities and services, and a vibrant and diverse community. However, the City is increasingly out of reach for many who work in the city and serve its current residents. We have the resources—in housing stock, demographic opportunities, and community inclination—to change this situation in ways that create wins for current and aspiring residents and the city as a whole. Thank you for your current and future efforts to achieve these wins, and for your attention to this statement.