

Subject: comments/questions on proposed comprehensive land use plan

From: J Adams

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To: Planning <Planning@a2gov.org>

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Hello,

The city council of Ann Arbor (A2) has requested that the Planning Commission (PC) develop a new comprehensive land use plan (Plan) to replace the existing plan approved in 2009. The PC has hired consultants to help them in development of the Plan. Land use is defined as where and how residential, commercial, and industrial projects can be developed in the city. The Plan will eventually lead to the development of new zoning codes, the legal implementation of the Plan, which will guide land use in the city for probably the next decade.

The main goal of the Plan is to aid in the development of residential housing to ease the current housing shortage and make housing more affordable. The other potential goal of the Plan is to aid in the development of commercial property to ease the dependence of city finances on residential property taxes. The development of the Plan is to be guided by three principles of Affordability, Sustainability, and Equity.

The planning commission consultants have identified two goals for residential housing:

- 1) Stabilize housing prices by increasing housing units by 1% per year, approx. 600 units/yr. This will provide housing in the city for 37,000 new residents by 2050.
- 2) Provide housing for approx. 50% of workers commuting into the city each day. A housing growth rate of approx. 1.9% is needed, or 1400-2000 units per year. This will provide housing for 75,000 new residents by 2050.

City planner Bennett stated in a recent PC meeting (01/23/25?) that the best case outcome is that the plan will result in a stabilization of housing costs. Housing costs will not drop. Also, from the same PC meeting, the city has a current housing inventory of approx. 54,000 units and has been adding an average of 680 units/yr.

Therefore, we are already meeting consultant goal #1 necessary to stabilize housing prices.

Question 1. Why do we need a new comprehensive plan if the existing plan and zoning is already achieving the annual increase in housing units necessary for stabilizing prices?

The current proposed plan identified three areas for developing housing units (data from 07/23/24):

- (1) Downtown (might be called mixed use hub in later iterations of the plan), which can support 60 housing units/acre
- (2) Transition areas between downtown and residential areas (mixed use transition), which can support 30 housing units/acre.
- (3) Low rise residential, which currently supports 8 and 17 units/acre in R1D and R2A, respectively.

R1D is a single detached dwelling with a minimum lot size of 5000 sq.ft.; R2A is a duplex dwelling with a minimum lot size of 2500 sq. ft. R1 and R2 zoning accounts for 36% of all land in the city. The city has approx. 19,000 acres, so R1 and R2 account for 6900 acres. Note that if a four unit maximum were allowed on R1D or R2A, the land use would support over 30 units/acre, similar to the proposed transition area. Only the downtown area would have a higher housing density.

Question 2. Does the PC support a downtown housing density of 60 units/acre in the low residential area?

No definition of affordable housing has been provided in any comprehensive plan material I have reviewed. Below is my attempt to define affordable housing.

The Ann Arbor Housing Commission (AAHC) defines affordable housing as costing less than 30% of a household's annual gross income. The average rental price in A2 for a 1 bedroom apartment is \$1700/month, corresponding to an affordable annual income of \$68,000. The actual annual salary of many workers in A2 is shown in Table 1 along with calculated affordable housing costs. Except for registered nurses, a single adult with no kids is either on the edge of affordability or cannot afford to live in A2. The average rental price in A2 for a 2 bedroom apartment is \$1970, corresponding to an affordable annual income of \$79,000. A single parent with one child is basically priced out of this market. These are the people we routinely interact with in restaurants, stores, businesses, and doctors' offices.

Table 1. Common professions, with annual salaries, and affordable housing costs.

Profession	Annual salary	Monthly Affordable housing cost (30% of annual salary)
Teacher	\$65,000 – 76,000	\$1600- 1900
Registered Nurse	\$92,000	\$2300
Practical or vocational nurse	\$67,000	\$1700
Food prep/server	\$34,000	\$850
Office admin/support	\$45,000	\$1100
Retail sales	\$37,000	\$930
Day care	\$58,000	\$1500

According to the AAHC, "Without the city getting involved and building affordable housing at or below 60% AMI (area median income), private developers will continue to build downtown residential at market rate. Therefore, the market will drive growth in higher income households." Why is this so? Because the return on investment (ROI) is 2-3 x greater for market rate housing projects compared to affordable housing projects (referred to as low income housing tax credits (LIHTC) projects). The AMI for A2 is \$83,700. 60% of AMI is an annual income of \$50,000, which corresponds to an affordable rent of \$1,300/month, well below the \$1,700/month for a 1 bed room apartment. Given the legitimate desire by developers to maximize ROI on projects, a safe assumption is that all housing developed under any comprehensive plan will be market rate and will not contribute to affordable housing.

Question 3. What economic factors will change under the proposed plan to enable the development of market rate, affordable housing projects? Hint: None.

Question 4. If we want to develop new housing as quickly as possible, shouldn't we develop residential housing in areas supporting the highest density?

Question 5. Before we open up the city to widespread, uncontrolled development shouldn't we max out development in downtown and transition areas?

Question 6. Where is the data to support the need for a 48 ft. height limit with no limit on the number of units?

The TC1 zoning contains 640 acres and there has been no development in this zoning area in 4 years. Neither the consultants nor the PC have identified why developers are avoiding projects in this zone. To the common citizen, TC1 and mixed use transition zones look very similar.

Question 7. If TC1 hasn't worked, why expect mixed use transition areas to work?

Note that a residential housing building with ≤ 4 units under the current code is a residential property taxed at 58 mils, with yearly property tax increases limited to the rate of inflation. A residential housing building with > 4 units is defined as a commercial property taxed at 67 mils with no limit on yearly increases.

Question 8. Is this why the PC is pushing for unlimited number of units in the low rise residential area?

The proposed land use in low rise residential has dramatically changed from that presented to the public at various events in 2024. Originally, a 35 ft. height limit with a maximum of 4 units was proposed; now the maximum height is 48 ft. with no limit on the number of units. No data or explanation has been presented by consultants or the PC as to why this change is necessary. Remember, the city is already achieving the annual increase in housing units necessary for stabilizing prices. In addition, a 4 unit maximum will achieve 30 housing units/acre in the low rise residential area. My understanding is that there are no new public meetings scheduled for discussion of the plan.

Question 9. Given the dramatic change in proposed land use in low rise residential, shouldn't additional public events be held to explain why this change is necessary? Doesn't the public have a right to see the data supporting this change?

The Unified Development Code (UDC), which contains the zoning regulations for the city, does not have an expiration date.

Question 10. What is the rush to adopt a new comprehensive plan?

Finally, a really difficult question.

Question 11. Who will benefit from this radical change in land use, opening up 6900 new acres for development in the low residential area?

The need for the proposed plan has not been established by data either from consultants or the PC. Believe in God, all others bring data. The proposed plan will not develop affordable housing. Affordability, strike one. The proposed plan will not magically raise wages or reduce rents. Therefore current commuters will not be able to live in the city and reduce VMTs. Also, the demolition of current single family housing for new construction will increase landfill waste. Sustainability, strike two. Finally, market rate housing projects will drive growth in higher income households living in the city, not lower wage workers. Equity, strike three. Looks like the PC struck out on developing an affordable, sustainable, and equitable comprehensive land use plan.

In reviewing meetings held by the PC and city council, I have repeatedly heard commissioners and council members declare we are in a "housing crisis." I would respectfully suggest that term be reserved for the truly homeless in our community. Like many communities, A2 has a housing affordability issue. People who live outside of A2 because of affordability issues are not homeless.

Finally, I am not a real estate developer or an urban planner. Data on incomes and rents were from online sources and are not meant to be exact, but rather provide a baseline for discussion. Any errors in the document were made out of ignorance, not to mislead. My hope is that this document will foster a more open discussion about the forces driving the development of a new comprehensive plan and lead to a plan that a majority of the city can support.

Regards,

Jim Adams
5th Ward