

..Title

An Ordinance to Amend Sections 5.10.19, 5:10.20, 5:64, 5:65, 5:68 and 5:70 of Chapter 55 (Zoning) and Sections 5:169 of Chapter 59 (Off-Street Parking) of Title V of the Code of the City of Ann Arbor (Zoning Premiums/Design Requirements) (CPC Recommendation: Approval - 8 Yeas and 0 Nays)

..Memorandum

Update - When presented with a set of amendments to the Zoning Ordinance and Off-Street Parking Ordinance to revise the premium floor area options in downtown zoning districts and supporting regulations to the planned project modifications and off-street parking requirements at first reading on July 17, 2017, City Council passed only the language regarding building design requirements (see attached ordinance as amended). Staff have further revised the amended ordinance to address a request to clarifying the expectations of transparency and exempting buildings in the D2 (Downtown Interface) district from some requirements.

Transparency shall mean that area within four feet of the window glass (from the bottom of the window to 8 feet above the floor) is at least 75% open to view.

Minimum street-level height and transparency will only be required in the D1 district, corresponding to the zones where the most intense uses and most active streetscapes are desired. However, the requirements for building materials apply to buildings and additions in both the D1 and D2 districts.

Council will need to replace the previous ordinance with the attached ordinance, dated August 17th, in order to incorporate these revisions. Adoption of these revisions shall move this ordinance to a first reading, and an additional second reading and public hearing will be necessary.

Previous Description - Amendments to the Zoning Ordinance and Off-Street Parking Ordinance were proposed to revise the premium floor area options in downtown zoning districts along with supporting regulations to the planned project modifications and off-street parking requirements. The proposed amendments would have changed the required conditions to acquire premium floor area; created a two-tiered program to acquire bonus floor area in the D1 and D2 districts; offered incentives for residential uses, workforce housing, energy efficiency and certifications; introduced building design requirements; allowed design requirement modifications with planned projects; and, eliminated the option to provide off-street parking through contracts for permits in the public parking system.

The amendments were the result of an evaluation requested by resolution of the Planning Commission and City Council to reduce the residential premium with the goal of encouraging the use of other existing and proposed premiums to compensate for the

reduction, such as increased energy efficiency and workforce housing, and eliminating the affordable housing super premium. The proposed amendments were based on input from all stakeholders - City Council's directive, Planning Commission's policy choices, other Boards and Commissions, staff and citizens - to balance the stated city goals of a sustainable downtown and increased density in areas with existing utilities and transportation networks with the community desire to strengthen the premium requirements and to incentivize unmet needs of environmental sustainability, energy efficiency and workforce housing.

The process of evaluating the current premium program and crafting the proposed options included working session with eight boards and commissions, focus groups, community coffee hours and drop-in sessions, a survey through Ann Arbor Open City Hall, a community meeting, individual phone conferences and meetings upon request, eight formal discussions with the Planning Commission, one joint session of the Planning Commission and City Council, five sessions with the Planning Commission's Ordinance Revisions Committee and two public hearings held by the Planning Commission.

The draft ordinance presented for first reading included minor revisions and corrections requested by the Planning Commission following its public hearing on October 5, 2016.

The City Planning Commission recommended approval of the full set of amendments on October 5, 2016. The City Planning Commission also recommended City Council determine the payment in lieu for workforce housing annual as part of its budget approval process.

Following the Planning Commission's action, proposed legislation was introduced at the State level that could impact proposed affordable housing options. City Council also asked staff and the Planning Commission, by Resolution-17-020 on January 17, 2017, to consider active use regulations. In response, the Ordinance Revisions Committee of the Planning Commission met on January 24, 2017 and Planning Commission held a working session on February 14, 2017. After review of proposed active use regulation, the Planning Commission suggested the design standards incorporated into the proposed premium amendments as an alternative approach to enhancing the pedestrian experience and active use support.

The attached amended ordinance reflects the alternative approach suggested by the Planning Commission and the amended ordinance passed at first reading by City Council on July 17, 2017.

Attachments: October 5, 2016 Staff Report
 October 5, 2016 Planning Commission Minutes
 October 6, 2016 Draft Ordinance Amendments
 March 15, 2017 Planning Commission Communication
 May 4, 2017 Draft Ordinance Amendments
 August 16, 2017 Draft Ordinance Amendments

..Staff

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Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

..Body

(See attached ordinance as amended at First Reading on July 17, 2017)