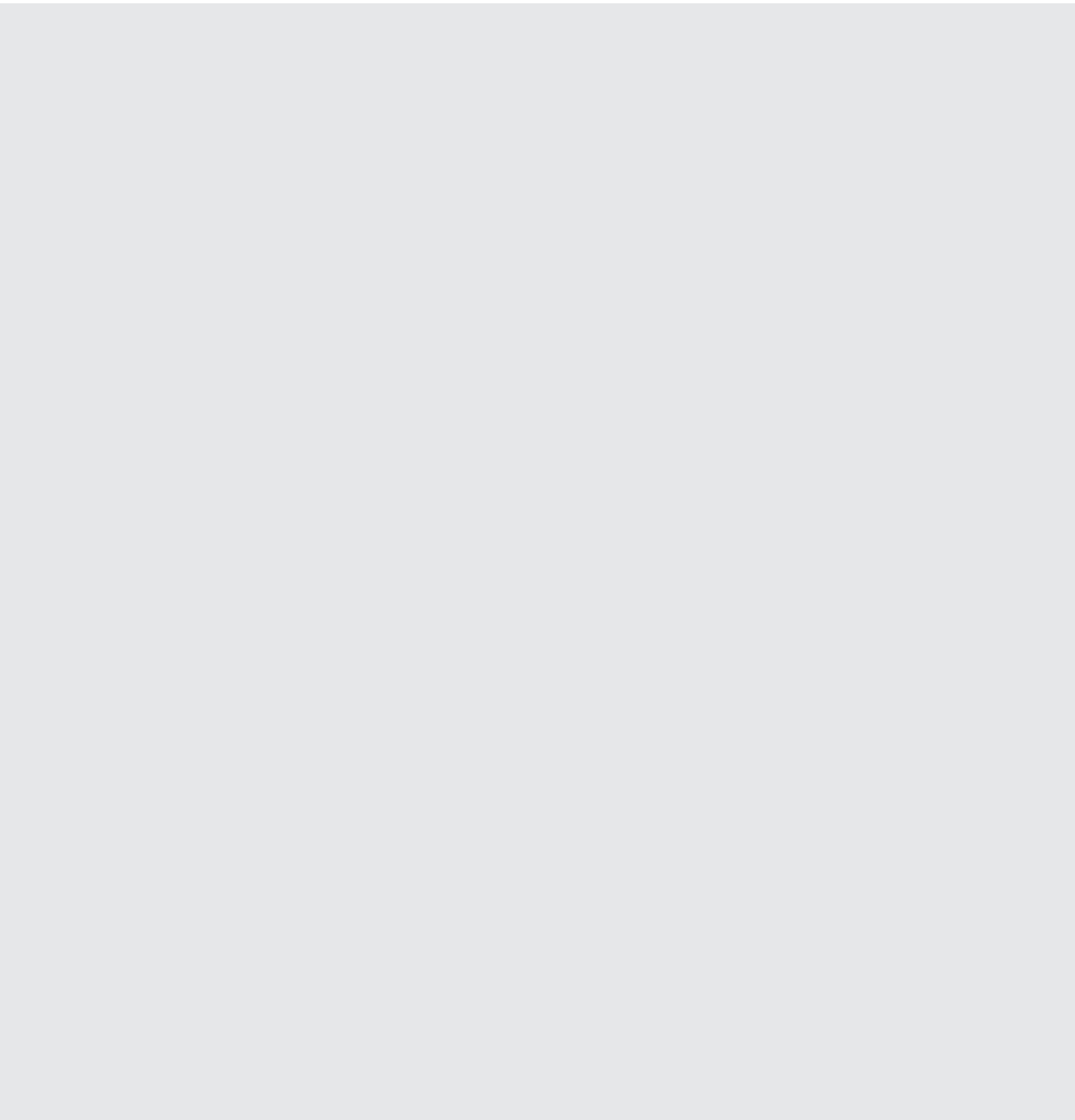# City of Ann Arbor Stakeholder Engagement for Land Development

Review of the Development Process

November 22, 2023

01. STUDY PURPOSE

02. METHODOLOGY

03. FINDINGS

STUDY PURPOSE

The purpose of this study is to explore the city's development review process to determine what is working well and where improvements should be made to help meet the city's economic development goals. To accomplish this, the study explores the experiences of property owners, developers, builders, and other entities that have interacted with the city's development review process.

METHODOLOGY

Staff trained in gathering input conducted a series of interviews with:

1. For-profit developers
2. Not-for-profit developers (i.e., affordable housing agencies)
3. Consultants and contractors to developers, including professional planners, advisors, and builders
4. Homeowners and/or their contractors

To reach representatives in the first three categories, staff developed a list of 43 potential interviewees and requested an interview by email. In total, staff interviewed **9 for-profit developers, 2 not-for-profit developers, and 11 consultants and contractors to developers**. Each person interviewed has significant experience working with the city's development processes.

To reach homeowners and their contractors, the city's building department generated a list of homeowners who were in various stages of the city permitting process for putting an addition on their homes. In March 2023, the city spoke with 9 homeowners and/or their contractors over the phone and received emails from five others who could not attend the designated meeting times.

Most of the participants were hired professional architects or contractors representing their homeowners' interests. Due to the complexity of the process, it did not appear from our sample that many homeowners were equipped to manage their projects on their own.

Through a series of questions, the city recorded and aggregated the participants' responses on their experiences with the process and how it could be improved. Questions used during these interviews are included in Appendix A, though staff did not necessarily ask these questions in order. In many instances, interviewees answered the questions without the prompting of a question, just through the telling of their experiences.

The "Potential Solutions" outlined in this report are provided by the customers who participated in this engagement. Their inclusion in this report does not indicate that they have been vetted or recommended by the City Administrator or other city staff, however their inclusion is important to ensure the voices of our participants are accurately reflected and to allow for creative problem solving related to our development processes.

FINDINGS

DEVELOPER PROFESSIONAL FINDING*S*

Appreciated Practices & Advancements

While much of the interviews focused on areas for improvement, interviewees did point out a few key items that are appreciated:

1. **Lifting of downtown parking requirements.** This is considered a best planning practice and allows more use of the site for a structure.
2. **Recent efforts to examine codes and review process.** Interviewees recognize that staff is working to improve regulations and process.
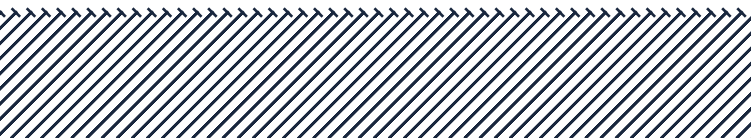
3. **Staff is competent and good-natured.** Interviewees noted that once staff are reached, they are typically respectful and helpful.
4. **The city pursues ambitious and worth-while goals.** There is an appreciation for the city's goals, such as sustainability targets, even though there is some concern about how to achieve these goals on a practical level.

Issue Areas & Potential Solutions

In general, interviewees see Ann Arbor as a desirable place for development because of its position as a nationally top-rated city and key job center in southeast Michigan. However, many interviewees consider the city's development review process as one of the most difficult among the communities they work in, which gives them pause to engage in future work in the city. Developers are concerned with any risk that can increase costs and make a project unsuccessful, including long delays and unexpected turns in the process, which can make projects difficult to manage and in some cases, prohibitively expensive. More specifically, interviewees identified the following issues as significant and common problems:

Site plan reviews are not coordinated.
The city has many reviewers that are only focused on their area of expertise. Sometimes, reviews conflict with one another and there is no direction on how reconcile these conflicts. When there is a conflict, there is not one person or department who has the authority to reconcile the issue and push the project forward. Applicants feel stuck with no clear path on how to successfully resubmit a site plan that will be approved by all departments. Further, some portions of the site plan review process can be paid online through STREAM, while others cannot. This creates confusion and inefficiencies.

Potential Solutions

- Assign a person or department the responsibility to resolve conflicting comments from site plan reviewers.

- Provide coordinated training to staff who do site plan reviews to help ensure inter-departmental collaboration, consistency, reasonableness, and efficiency.

Development reviews take a long time, often after the deadline, and can involve surprises. Site plan review times vary widely and can sometimes take months. Interviewees noted that some departments are better than others with timelines. Additionally, several interviewees expressed experiences where staff gave them the impression that a project was on track for approval only to learn, and sometimes late in the process, that there is an unmet requirement.

Potential Solutions

- Ensure expectations are clearly explained, readily available, and provided early, such as an easy-to-follow flow-chart that helps developers anticipate each step, what costs they will incur, and who to contact.

- Require staff to meet deadlines or extend the deadlines so the developer has a realistic understanding of how long the process will take.

- Create a "site plan light" for more straightforward projects. This would be a tiered system that does not require the same standards for every project.

- Have the same inspectors on a project from start to finish, if possible, to avoid inconsistencies.

- When there is staff turnover, staff should follow the predecessor's review, instead of starting over.

Staff are slow to respond or not responsive at all.
Applicants have a hard time reaching staff, especially since the pandemic. Staff are no longer available for drop-in discussions at City Hall. Many interviewees expressed frustration that staff are not responding to phone calls and emails in a timely manner, or at all, and felt that they had no recourse to remedy the situation.

Potential Solutions

- Establish a system that ensure staff is responding in a timely manner. This could be through project management software, protocols enforced by managers, and/or a "partner system" that keeps staff accountable and creates back-up support if one staff member is not available.

- Provide regular in-person office hours to facilitate discussion and solution-finding between applicants and staff.

The city encourages sustainability in development but is not fully equipped to review projects with sustainable design.
While the city is pushing for sustainable design, regulations are lagging and staff are not trained to review sustainable technologies, such as geothermal and pervious pavement, which can create delays and run the risk that the application will not be approved. Some interviewees expressed that even though they would like to include some sustainable design in their development it was not worth the hassle and risk. Further, some interviewees are concerned with the push for sustainable requirements, such as all electric developments, without consideration of the costs to developers and how this can impact the ability to complete a project.

Potential Solutions

- Given the city's sustainability goals, hire someone specifically to work with developers to help achieve sustainability targets and provide guidance. This person should have expertise on sustainable building materials and technologies and work with other staff and officials to usher sustainable elements of a project through the approval process as a liaison role.

- Provide/increase training for staff on sustainable building materials and technologies.

- Update policies and codes to allow for innovative approaches that helps the city meet its goals.

Staff are not empowered to grant any type of leniency to meet the overall project needs.
Many interviewees expressed that staff seem to hold to the "letter of law" instead of "applying common sense" to a situation. In other words, staff are not taking contextual circumstances into consideration and are instead universally applying rules that are sometimes inappropriate and can create very costly, if not impossible, situations for the applicant. This can often leave applicants feeling like the city is taking an adversarial approach rather than working with the applicant to find solutions; that the city is not service minded.

Potential Solutions

- Provide more flexibility in the Zoning Ordinance and other regulations so that standards can be applied to different scenarios more fairly.
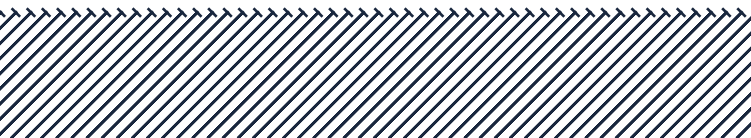
A vocal minority from the public tend to have a huge influence on whether projects are approved.
Appointed and elected officials are often persuaded by vocal residents despite the policies and regulations that have been adopted. This makes the review process less predictable and therefore riskier.

Potential Solutions

- Take measures that help prevent a vocal minority from hijacking the outcome of a project. For example, follow equitable engagement recommendations.

- Train officials on the importance of upholding adopted land use policies and regulations (e.g. MSUE Citizen Planner Course for officials).

Some requirements are too strict or do not fit the situation.
Interviewees commonly mentioned the following requirements:

- Fire requirements seem extreme for the conditions: modest building with fire suppression should not need so much.

- Solid waste pick-up requirements are driving design instead of best practice design principles driving the location of bins. Applicants are often given little direction on bin placement solutions

- Tree requirements, such as replacements, can be costly and, similar to solid-waste pick-up, applicants are often given little direction on mitigation solutions, which creates confusion and delays.

- The city's floodplain and stormwater regulations are more appropriate for suburban and rural areas, not dense, downtown settings.

- Requiring water main upgrades from intersection to intersection is costly and possibly a disproportionate impact fee.

- Fire-hydrant installation for small developments is a significant cost and has great impact on the project.

- Applicants are required to provide specific building notes that are unnecessary on plans.

Potential Solutions

Re-evaluate certain requirements:

- Reconsider 55-foot fire standard allowance for new development – make it 75 feet.

- Ensure solid waste and tree requirements are clear and suited to the conditions of the project/site.

- Re-examine floodplain and stormater regulations to determine if they are truly suitable for an urban environment that has limited properties that can be developed.

- Review requirement to install water main from intersection to intersection, especially for legality and fairness.

- Review requirements for fire-hydrant installation for small developments.

- Ensure site plan building note requirements are necessary and consistent.

STREAM presents challenges (more on this under Homeowner Findings).
Interviewees often mentioned that STREAM is not set up to notify applicants with any updates or problems. However, the most frequent complaint about STREAM is that it does not allow applicants to see reviewer comments as they come in, only once all the comments are in. This

delays applicants from working on a reviewer's comments. Further, while some interviewees commented that the perceived purpose of STREAM was to help even the playing field and alleviate the "old boys club," the use of STREAM is not fulfilling that purpose and that larger, wealthier developers still have an advantage.

Potential Solutions

- Update STREAM to include the perspective of the users - make it more user friendly.

- Provide more staff training on STREAM and have a dedicated person to answer questions about how to use it.

Larger, wealthier developers have an advantage.
Because the process is so long and onerous, consultants are needed, and this drives up the cost. Not only does this make it harder for smaller developers to compete, but it also drives up the cost of rents on rental housing developments.
.
Potential Solutions

- Create a "site plan light" for more smaller, straightforward projects. This would be a tiered system that does not require the same standards for every project.

HOMEOWNER FINDINGS

Issue Areas & Potential Solutions

Building permits are not easy to navigate.
The instructions for permits are generally easy to find, however the instructions are limited and not all of the forms are easy to find (some of the form names have changed). The list could be more navigable, for example, if they were divided by commercial and residential. From the perspective

of interviewees, reviews for permit approval can be excessively picky. As such, it was noted that they would prefer an administrative review for straightforward projects.

Potential Solutions

- Revise and organize online instructions and forms. Keep these updated.

- Create a "site plan light" for more smaller, straightforward projects. This would be a tiered system that does not require the same standards for every project.

**Paying all fees upfront can create risk and hardship.**
Applicants are not generally pleased with having to pay all fees upfront. As many of them were hired by a homeowner, every time their clients change their mind (which is often), they could be at risk of losing money. Because they pay the fees before the permit is approved, they worry that the city may not be able to keep up with the changes, and they could lose money as a result.

Potential Solutions

- Separate fees so that they do not all have to be paid at the beginning of the process.

- Make clear what all of the permit fees entail.

Cancelling and rescheduling inspections is challenging.
In general, inspectors received high praise. While homeowners would always like to have inspections done immediately, scheduling an inspection is easy and inspectors come to site quickly. However, cancelling or rescheduling is not straightforward in STREAM. For those who have worked in the Ann Arbor development ecosystem for years, they will call an inspector they know directly, and ask that person to change
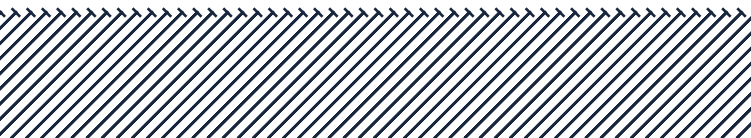
the inspection date. This is time consuming and requires the homeowner to have a personal contact at the city. Perhaps due to this, some participants mentioned that the calendar for scheduling is not always up to date. Most of them noted that they have little experience with multiple inspections, but noted if they are necessary, it adds time and cost to the project. The list of inspections on the website do not necessarily reflect reality and the specified timing is off.

Potential Solutions

- Keep the same inspector on the project from start to finish.

- Improve functionality on STREAM for changing inspection dates and times.

STREAM presents challenges.
Some participants prefer face-to-face interaction with staff. This has been a difficult transition to online only communication, especially for older generations in the field who are less familiar with this new system. The learning curve is large, and they could use some guidance during this switch. For newcomers, STREAM has been easier to use and received greater appreciation than from those who were used to the older system. The other challenge to STREAM is that very few in Michigan have adopted it so many feel like they had learn a whole new process for just one city, while most other municipalities use BS&A.

Moreover, some feel the roll out of this system was executed poorly and without the consultation of its primary users, who could have provided valuable feedback. STREAM may be more efficient if your project does not deviate from the standards programmed into the software, but if it does, there is no one to call when the menus and options do not apply to you. If you have a question about how to enter or edit something in STREAM, there is no one to contact for assistance. Nor, in their experience, does it integrate into other city software that is a part of the development process. The system also does not

notify the applicant of project updates, so they are unaware of how their project is progressing. It was noted that the previous software was more collaborative. With that in mind, many think it would be faster and easier to come in person to resolve some of these minor issues.

Potential Solutions

- Update STREAM features under advisement of developers.

- Dedicate a staff person to answering questions and troubleshooting requests and questions.

- Integrate STREAM into other city software related to development.

Reviews take a long time.
Reviews take longer now than under eTRAKIT. Some suspect it is from staff turnover and insufficient capacity. In general, they were displeased with the amount of time to review the plans, in some cases, taking up to four weeks. And, if it needs to go to the Zoning Board of Appeals, it can be even longer. Applicants are hoping to have the review completed and approval in two weeks. They believe that smaller projects should not take as long and that some permits can be expedited, for example, decks, kitchens, and bathrooms. Some mentioned that if you need to re-submit, it seems you go to the end of line. Applicants felt that this was not fair and could create a long delay for a relatively minor issue.

Potential Solutions

- Provide an accurate time-line for approvals.

- Reduce time-line to two weeks.

- Provide updates about when the project is progressing.

- Provide expedited processes for certain permits.

- Allow for a phased permitting process to keep the project advancing.

Some requests seem irrelevant.
In many instances, homeowners could not see the connection between the requirement and the project. In one instance, a homeowner wanted to put in an egress window and was asked for soil calculations. This person did not understand why and wanted an explanation for why this information is necessary. All acknowledged that if the request was for health and safety reasons, then it must be done, but if it is beyond that, a rationale should be provided. They want to see how the requirement applies to them specifically. It is felt that there is a lot back and forth for unnecessary information up front when it could be handled later without compromising the health and safety of the project. This could needlessly add weeks to the process.

Potential Solutions

• Provide an explanation for why information requests are needed.

• Evaluate if all requirements need to be applied to all projects.