

January 31, 2024

The Honorable Ann Arbor Planning Commission
301 East Huron Street
Ann Arbor, Michigan 48104
Sent via email to planning@a2gov.org

RE: Case Numbers REZ23-0007 and SP23-0014, 711 Church Street

Dear Honorable Planning Commission Members:

This letter is a response to City Staff's Development Review Memorandum dated January 19, 2024, on our revised submittal for a PUD at 711 Church Street, dated November 28, 2023. Our submittal contained a wealth of information about the project, an explanation of how we have met the standards for a PUD, our perceptions of the benefits of the PUD and the supplemental regulations being sought through the PUD designation.

Our letter repeats your comments along with our response. We would be happy to speak with you, or we can address our comments to the Planning Commission at the meeting on February 6, 2024.

1. *"Staff maintains that this PUD petition does not meet the PUD Zoning District standards of approval. As currently proposed, the petition supports rezoning from R4C to D2 and South University Character."*

Our team has evaluated the City's market need for more housing and has identified this site as one of the places where housing can best be accommodated. Our site is proximate to the University of Michigan, shopping, entertainment and other nearby destinations. We have convenient access to several transit routes, bikeways and pedestrian connections. We believe that the benefits with our PUD justify our density and height of this building. We have revised our plans to reduce the overall height from the original proposal presented at the PUD pre-submittal meeting at Planning Commission, broken up the massing, and added architectural features to reduce the overall visual impact.

The development team carefully evaluated other districts besides the requested PUD, including the D2 zoning with the South University Character Overlay, as recommended by City Staff. We have concluded that, contrary to Staff's recommendations, D2, and other existing zoning classifications, would not be appropriate given the limitations on building height and density. No other zoning permits the efficiency of land use achieved under this proposal.

Moreover, the only way that this project can work is with the added density that the PUD district would allow. We believe that the design is consistent with the South University area, which is rapidly being transformed with new high-rise buildings coming online, under construction and in the planning and development processes. Some of these buildings in the South University Overlay District also carry a PUD zoning designation. Our submittal includes a listing of the PUD standards, and how we believe each of those are met. We agree that the size, design, and height of the building fit into the current and transforming streetscape for the South University district.

Our PUD benefits would not be offered under a different zoning district that does not provide the height and density needed to make this project financially feasible. A few notable ones are listed below:

- 90% of the person trips in the peak hour are projected to be walking, biking, other forms of personal mobility and transit (see the transportation report prepared by C2G/Midwestern). Less than 10% of the trips will be by auto. This impressive statistic is due to our location. It advances many of the City's goals for sustainability and reduction of the carbon footprint and reducing Vehicle Miles of Travel by 50% by 2030, as noted in the City's recent Resolution about the U.S. 23 project.
- Extensive on-site bike parking of the highest, Class 'A', type - more than ten times the required bike parking under any normal zoning classification. The Unified Development Code requires (1 class 'A' bike space per 5 units, we have 273 units) 55 class 'A' parking spaces based upon the number of apartments and the project proposes to provide a total of 575 class 'A' bike parking spaces.
- Of the 575 class 'A' spaces provided, 107 (nearly twice the required amount) are provided on the ground floor level easily accessed from the sidewalks north and south of the building via the covered, multi-modal, vehicular access way along the east side of the building. If all the ground level bike spaces are occupied a bike rider has direct access from the ground level bike room to additional bike parking in the basement level via an internal stairway (with an integral wheel track). Riders can also use the elevators to access the basement portion of the bike room.
 - Other approved projects throughout the city have included supplemental (more than the min required bike parking spaces) on levels other than the ground floor including within dwelling units on multiple floors. The most recently approved PUD at 721 South Forest Street has a similar bike parking arrangement with class 'A' spaces split on multiple levels.
- LV Collective will contribute \$250,000 to construct public bathrooms in Downtown Ann Arbor
- LV Collective will provide a \$170,625 donation to the City's Park Fund.

The amount of density proposed for the site is compatible with the City's goal of having a denser Downtown. Furthermore, as Staff mentions in its letter, these sustainability measures support a denser mixed-use zoning designation. The development team is committed to striving to meet the requirements of A2Zero Climate Action Plan and other Sustainability goals set forth by the City. Furthermore, the team is committed to providing sustainability features that go above and beyond what the zoning requires in these regards:

- LEED Gold Certification
- Passive House Technologies
- Integrated Renewable Energy (rooftop solar power and reusable geothermal heat pumps)
- Electric Vehicle (EV) Charging (52 total off-site parking spots will be EV capable, 10 of which will have EV capabilities installed EV-I) starting on Day 1. Another 38 will have the EV capability (EV-C) in the future. The last four parking spots would be made available for delivery and rideshare.)
- Primarily Electric Designation (Natural gas use will be limited to emergency generation and hot water heating only)

2. *“The benefits of a proposed PUD ‘shall be one[s] that could not be achieved under any other zoning classification and shall be one[s] that [are] not required to be provided under any existing standard...’ Additional workforce housing stock to the city can be realized by rezoning this site to at least a dozen other districts. Providing affordable housing is a requirement for any PUD petition that requests more density than the underlying zoning designation and/or the future land use recommendation, which is the case here.”*

The PUD allows us to offer features and public benefits, as noted in our application, that would not be achievable using another zoning district. If a PUD were not approved for this site, the amount of density that we would be able to have on this site would decrease. The City’s need for more housing would then be relocated to less appropriate locations or be unmet altogether. Any lower density using another zoning designation would make many of the sustainability features that we have proposed for our PUD both economically and environmentally unfeasible. The result is that we would have to redesign the building that would reduce our ability to meet the City’s long-term and sustainability goals.

LV Collective has committed to providing six workforce housing units at the site. While the City of Ann Arbor defines “Workforce Housing” as earning to 80% Area Mean Income (AMI), the U.S. Department of Housing and Urban Development instead considers such 80% AMI as “Low Income Housing” (defined by HUD as \$75,750 for a family of two in the Ann Arbor MSA in 2023). This workforce housing will cater to people who make too much to qualify for traditional affordable housing (such as, for example, the Section 8 program) but still not enough to afford market-rate housing. The developer has committed to working with the City and County to ensure that these units are filled by income-qualified tenants. The specifics of this partnership will be determined in the Development Agreement.

The affordable housing comment is addressed in item #3 below.

3. *“Given that a 30% increase in maximum height is available to any development providing at least 15% affordable housing dwelling units, the requested scale of the proposed PUD does not align with City expectations. Further emphasizing this point, until recently, the City rewarded developments with 20% of the proposed floor area as affordable housing dwelling units, or 30%, with a little less than double or a little more than double the normal density, and limited payments in lieu to half of the affordable units, Staff suggest that the Planning Commission and City Council may expect provided affordable housing and corresponding increases in density more along the lines of the former premium options.”*

This project meets the City of Ann Arbor’s affordable housing requirements for a PUD by providing payment-in-lieu, as permitted by ordinance. In addition, LV Collective has committed to a contribution of \$6.3 million to the City’s fund for affordable housing. City Staff have noted publicly that such a contribution would allow it to be used as a match to increase the impact compared to just providing affordable units within our development.

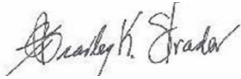
4. *“Economy and efficiency of ... energy” is a listed example of a beneficial effect and could be one not achieved by another zoning classification nor required under any existing standard. The petition offers LEED Gold certification, thermal bridge-free exterior, unquantified integrated solar power, unquantified integrated geo-thermal and primarily electric building support*

another, denser, mixed-use zoning designation but does not justify the proposed 711 Church Street PUD.”

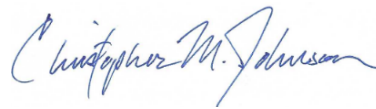
By approving a PUD at 711 Church Street, the City can justify mandating more stringent community and public benefits at the site than under any other zoning. At the same time, the increased density at the site allows the developer to justify the increased costs that these sustainability measures impose on the project. Any other zoning designation, including D1, which is currently the zoning that allows for the highest possible density within Ann Arbor, would nevertheless require the developer to scale back these sustainability features to the minimum required. In other words, by denying the request for a PUD at this site, the City would hinder meeting its own sustainability and carbon neutrality goals.

We respectfully request approval of the two petitions presented before you regarding the PUD at 711 Church Street. We thank you for your consideration.

Sincerely,



Brad Strader, AICP, PTP
Planning Director
Cincar Consulting Group



Chris Johnson
Executive Vice President, Development
LV Collective