



Legislation Text

File #: 23-1631, **Version:** 1

An Ordinance to Amend Sections 5.17.4 and 5.18.6 of Chapter 55 (Unified Development Code) of Title V of the Code of the City of Ann Arbor (Premiums, D1 and D2 Floor Area Ratio) CPC Recommendation: Approval (7 Yeas, 0 Nays) (ORD-23-32)

Amendments are proposed to eliminate the floor area premiums provided in Section 5.18.6 [Premiums] and to change the maximum FAR (floor area ratio as a percentage of lot area) of the D1 (Downtown Core) and D2 (Downtown Interface) districts in Section 5.17.4 [Mixed Use Zoning Districts, Table 5.17-4] from 900% and 400%, respectively, to none.

Consultants Carlisle Wortman Associates (CWA) worked with the City Planning Commission and Planning staff since February 2023 to evaluate the premium floor area program provided in Section 5.18.6 and downtown zoning standards in Section 5.17.4 of the Unified Development Code to consider if the premium program and resulting development is consistent with the City's comprehensive plan goals and, if not, suggest changes. This work concluded that the premium program was not consistent with the City's goals and plans.

Prior to developing policy options to consider, the City Planning Commission established common assumptions and agreements to guide this work, including: a balance of land uses and development types in downtown is important; development is more difficult and more expensive downtown than elsewhere in the city; and attainable density in downtown provides places for present and future residents to live as well as influences regional sustainability by providing access to housing in a walkable, mixed-use place.

Stakeholders were engaged in policy options under consideration, including the Energy Commission, the Housing and Human Services Advisory Board, the Renters Commission, the Downtown Development Authority, affordable housing providers, developers, elected and appointed officials, and residents.

The proposed amendments reflect the simplest, clearest, and most straightforward option to increase the downtown resident population in a location that is inherently sustainable and best suited to the highest density development. Development opportunities will be equally available to all downtown sites, and will be plainly regulated by existing height, setback, and design standards.

Research of recent downtown projects - using both the pre-2019 premium options and the 2019-present premium options - suggest that the downtown skyline will not be noticeably different moving forward because of the policy change. This is because almost all past projects were limited by the established height limits. The trend for new downtown buildings to be nearly at the maximum height limit for the character area it is located will continue regardless of premium options and base floor area ratios.

Because of these changes, some downtown buildings (those that previously used premiums) will no longer achieve a minimum of two particular LEED points. There is also expected to be fewer

buildings with on-site affordable housing units or providing payments in lieu.

Despite eliminating the formal premium program currently provided in Section 5.18.6, a version of incentives for affordability and sustainability remains available through the exceptions to height limits allowed in Section 5.18.4. Buildings can exceed the established height limit when providing an Affordable Housing Component (defined as at least 15% of all dwelling units or floor area is devoted to affordable housing dwelling units or a payment in lieu has been made) or Sustainability Component (defined as solar collectors cover at least 60% of the building footprint and the building is or can be fully electrified).

All CWA reports and meeting presentation materials previously published with agenda packets have been consolidated online at

<https://www.a2gov.org/departments/planning/Pages/UDC-Premiums-Evaluation.aspx>

Attachments: Ordinance (Premiums, D1 and D2 Floor Area Ratio)
September 19, 2023 Planning Staff Report
September 11, 2023 CWA Report
September 19, 2023 Planning Commission Minutes

Prepared by: Alexis DiLeo, City Planner

Reviewed by: Brett Lenart, Planning Manager
Derek Delacourt, Community Services Area Administrator

Approved by: Milton Dohoney, Jr., City Administrator
(See Attached Ordinance)