

Premiums & Downtown Zoning Evaluation



PROCESS

1. *Review & Analysis of Premiums*
2. *Assumptions & Agreements for Changes to Premiums*
3. *Draft Policy Options*
4. *Review of Draft Policy Options by Stakeholders*
5. *Decisions on Policy Options*
6. *Review of Potential UDC amendments*
7. *UDC Amendments Approval Process*

ASSUMPTIONS



An equilibrium of development types and land uses in downtown is important and residential, office and commercial are core uses to be continually balanced in downtown.



Developing in downtown is more difficult and more expensive than elsewhere in the City.



Since the last amendments to the premiums in 2019, the affordable housing millage provides dedicated funding source for necessary affordable housing, but millage funds may not be sufficient to be the sole source of affordable housing funding.



A significant number of properties in downtown are ineligible for premiums.



Current downtown residential development is either high-end, low scale residential buildings, or student housing. The current market does not support building of attainable high density housing downtown.



Attainable density in the downtown not only provides places for present and future Ann Arborites to live, but also influences regional sustainability by providing access to housing in a walkable, mixed use place.



Current premiums are not being utilized due to a variety of reasons

GOALS



Increase affordability of housing downtown



Increase sustainability, including energy efficiency, in the downtown



Increase equity in the downtown

OUTLINE OF AMENDMENT CHANGES

Remove F.A.R. in D1 & D2 from Table 5.17-4

Remove text in Section 5.18.6 Premiums &
insert “Reserved” placeholder

NO PREMIUMS – NO FAR – REGULATE BY HEIGHT



Simplicity



Height Exceptions for Sustainable & Affordable Housing Developments



Transit Corridor (TC-1) Precedent



Comprehensive Plan

REGULATIONS TO REMAIN IN PLACE

Building massing standards in the Downtown Character Overlay Zoning Districts (Section 5.17.6A)

Building front setback standards in the Downtown Character Overlay Zoning Districts (Section 5.17.6B)

30% height increase for sustainable and affordable housing developments (Section 5.18.4D).

RESEARCH



Most comparable communities do not utilize premiums and regulate via F.A.R or height, not both.



No increase in buildable area since height has been the limiting factor



Likely easier to reach maximum height



Likely to retain familiar building forms since height, building massing and front setbacks not proposed to change



Anticipate similar rate of constructions between 2014-2021



Increase the number of dwelling units proposed



Increase the diversity of Downtown developers

NEXT STEP

Public Hearing
and
Recommendation to City Council