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Sent: Monday, July 10, 2023 8:37 PM
To: Planning <Planning@a2gov.org>
Subject: why restrict density downtown?

Dear Commissioners:

Thank you for working on downtown zoning and treating it with the urgency it deserves. I hope you can vote on these changes at the first meeting in August.

First, I would like you to consider taking a moment to consider what is accomplished by entertaining continuing density restrictions in the core downtown. As you know, broadly speaking, density restrictions in Ann Arbor (and around the country) have a shameful heritage as a tool of exclusion. While this planning commission and council weren't responsible for implementing it, allowing it to continue makes us all complicit in its continuing segregationist and regressive impacts. (While it's tempting to think that downtown "isn't so bad" because it's zoned for relatively higher densities, please consider that several downtown buildings were built to the maximum height allowed, which signals to me that they would have accommodated more people if given the chance.) Plus there's good evidence that legacy zoning restrictions are at the core of why the city is not meeting its housing, road safety, VMT, walkability, transit, and associated climate goals.

That said, especially with respect to D1, why should we continue to "zone out" any housing units that make financial sense downtown? Applying the "precautionary principle," we should eliminate the known harms (density restrictions) by default, and change course only if negative effects can be demonstrated. Why is the assumption that the current zoning should be the starting point and "tweaked" to make it less bad? Is there a fear of upsetting current high-rise dwellers that some of their views might eventually be impacted? Does restricting density in D1 help fulfill even one of the city's espoused values?

I believe you should recommend:

1. eliminating all premiums in D1 and D2
2. eliminating FAR and height limits in D1*
3. increasing FAR and height limits by at least 30% in D2 (the extra amount that I think is allowed through sustainable or affordable development throughout the city)

Premiums sound harmless—a "perk" for developers who might want to do extra things to meet a city goal—but the reason they are "premiums" is that they cost money and reduce profitability for the developer. Whether sustainability or affordability related, I think premiums are counterproductive for several reasons:

1. getting a premium "just right" is a moving target
2. the "punishment" of lower density (if the developer doesn't choose to pursue premiums) actually punishes residents who are priced out of the city
3. the small handful of subsidized units in new developments have difficulty helping the people they're intended for
4. new multifamily construction is much more efficient than the average building stock in the city

5. market rate housing pays into the affordable housing and climate millages
6. allowing market rate housing is more effective at creating truly affordable housing than premiums are (albeit not in the immediate area—but that's what the affordable housing millage is for)

That last point used to be somewhat controversial, but it has been rigorously documented. (And this is even more true when one considers the evidence that inclusionary zoning/affordability premiums can suppress supply**, in addition to our own lived experience of affordability premiums literally [stopping downtown high-rise applications](#).) From the landmark 2019 study, "[The Effect of New Market-Rate Housing Construction on the Low-Income Housing Market](#)":

[Evan Mast](#) of the Upjohn Institute looks at the ripple effect of new multi-unit buildings in 12 large U.S. cities. Mast finds that building 100 new market-rate units opens up the equivalent of 70 units in neighborhoods earning below the area's median income. In the poorest neighborhoods, it opens up the equivalent of 40 units. That's far more than the five to 15 affordable units policymakers often require new developments include as a condition of approval, a practice called inclusionary zoning. Faced with such requirements, developers may choose not to build, or to build fewer projects, limiting housing supply and driving up rents.

Many of us supported the affordable housing millage because it is the best tool we have to fund subsidized housing. Others supported the climate millage for similar reasons: we should all chip in for carbon reduction. This premium discussion is a perfect time to reinforce the message that these values are a community responsibility, and shouldn't be market-distorting punishments that impact the most vulnerable.

I think being the first city in the country (to my knowledge) to allow buildings of unlimited height and density downtown by-right would be an incredible display of leadership, and I guarantee you would inspire other cities to do the same.

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* I take issue with an inference in the memo that there might be "infrastructure constraints" downtown if you increase density too much. Have these been documented? Has the DDA or city engineering weighed in? Water and sewer use in the city were broadly trending down citywide pre-COVID due to more efficient fixtures and tiered water rates. My understanding is that there could be isolated sewer issues at some point in the future if there's significant additional construction, but these issues could clearly be remedied several times over relative to the incremental tax revenue new buildings would generate. I also believe that downtown garage occupancy and AAATA ridership are at the lowest point in many years. What's the infrastructure issue?

**From the [Furman Center](#): "Both our theoretical analysis and our analysis of IZ policies in suburban Boston suggest that in some settings, IZ programs may lead to impacts on the price and supply of market-rate housing that reduce its affordability."