

**From:** Will Leaf <[willleaf@umich.edu](mailto:willleaf@umich.edu)>  
**Sent:** Sunday, July 09, 2023 12:54 PM  
**To:** Planning <[Planning@a2gov.org](mailto:Planning@a2gov.org)>  
**Subject:** Downtown Premiums

Hello there. I have lived in Ann Arbor for 30 years. I currently work as a software developer. I have served on the Housing and Human Services Advisory board and have written about zoning for Real Estate Law Journal [<https://works.bepress.com/lewyn/113/>].

I believe that zoning premiums are a misguided approach and should be discarded entirely downtown. Instead of using premiums, the base FAR and height limits should be removed, so that builders can freely construct high-rises and even skyscrapers.

This approach might seem radical, but it's actually a simple implementation of the city's goals.

City council and the planning commission have both resolved to take bold action to address climate change and lower housing prices. New downtown housing construction furthers both of these goals, by providing energy efficient housing in a walkable urban center.

Premiums work against these goals by limiting new construction. A premium should be understood not just as the carrot that lets developers build more, but also as the stick that makes the carrot necessary. When someone advocates for a premium, they are implying that the base FAR should be low enough that the premium is attractive. Otherwise the premium would serve no purpose.

By restricting the base FAR, and only allowing taller construction if the developer makes a payment-in-lieu to the affordable housing fund, a premium is in effect taxing new housing construction to pay for affordable housing elsewhere.

This approach does not make sense. The single worst funding source for affordable housing is probably the taxation of new market-rate housing, because that taxation will exacerbate the housing shortage that makes housing unaffordable to begin with. This is not just a theoretical possibility -- we've seen premiums combined with a low base FAR kill off downtown housing construction for the last several years.

Please be bold and suggest removing the downtown FAR and height limits. Slightly easing the base FAR is not good enough. Let City Council scale back the plan and make political compromises if necessary. The planning commission's mandate is to act in the best interests of the city, and right now those interests include freely allowing highrises downtown.