



Legislation Text

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Resolution to Direct the Establishment of an Office of Economic Development and Directing the City Administration to Prioritize Housing Development at all Income Levels to Support Housing Affordability, Sustainability, Tax Base Development, and Placemaking as the City's Strategic Priorities for Land Development

On December 18, 2023 the Administrator's Office provided to the Council a report titled *A New Approach to Economic Development*, wherein a series of reforms to our economic development and land development processes were recommended to the Council. The report is the result of more than a year of work directed by the Economic Development Corporation of Ann Arbor with support from members of Council to examine how the city could become more effective and efficient at pursuing economic development initiatives. The report can be found at the following link:

<https://a2gov.legistar.com/LegislationDetail.aspx?ID=6455353&GUID=9953264D-8091-454D-8178-7E569BF0A22C>

The City Council was briefed on the contents of the report in meetings on December 11, 2023 and February 12, 2024. In addition, individual briefings were offered to each member of the Council and the Mayor.

Following these discussions, four resolutions have been prepared for Council's consideration endorsing the findings of the report and providing direction back to the City Administrator to implement certain recommendations provided in the report. This resolution addresses the creation of an economic development office and the implementation of policy directives to guide the organization's approach to land development writ large. Accompanying resolutions will direct 1) strategies for supporting housing affordability by pursuing housing development at all income levels, 2) strategies for supporting sustainability in the built environment, and 3) strategies for supporting place-making and tax base improvements.

Prepared by: John Fournier, Deputy City Administrator

Reviewed by: Milton Dohoney Jr., City Administrator

Approved by: Milton Dohoney Jr., City Administrator

Whereas, In the fall of 2022 the City Administrator's Office provided a proposal for reviewing the city's economic development practices to the board of the Economic Development Corporation of Ann Arbor, and the board subsequently endorsed such a report and commissioned it to be completed;

Whereas, In December of 2023 said report was published and provided to the City Council and the board of the Economic Development Corporation with a comprehensive analysis of the city's economic development processes and recommendations for improvement, and the City Council was briefed on the findings of this report at its planning session on December 11, 2023, at its work session on February 12, 2024, and in individual briefings with Councilmembers starting in January of 2024;

Whereas, Among the key findings of the report are that the city of Ann Arbor requires stronger strategic direction from the Council on what to prioritize in our approach to land development, that an office of economic development should be established, that the city should be more engaged in

acquisition and disposition of property interests to achieve our public policy objectives in the built environment, that the city's site plan requirements are too extensive and our civil plan review processes too burdensome, and that a series of investments and process improvements should be pursued to improve our overall performance in these areas;

Whereas, The primary purpose of these recommendations is to support housing affordability, an issue of extreme importance to the Ann Arbor community, and where social science and economic research shows clearly that housing will not become affordable in a community unless housing needs are met at all income levels;

Whereas, This requires the City of Ann Arbor to maintain its strong commitment to subsidizing affordable housing development, but also to create an environment where market rate housing development becomes more permissive and less burdened by city administrative processes;

Whereas, The other important purposes of these recommendations are to support sustainability in the built environment, pursue improvements in the tax base, and create opportunities for placemaking, all of which are critical for bolstering the city's commitment to carbon neutrality and the high quality of life enjoyed by residents and visitors to the Ann Arbor community; and

Whereas, Four resolutions have been prepared to provide direction to the city administration on these important issues, this the first among them;

RESOLVED, That the City Council does hereby endorse the findings, conclusions, and recommendations of the report titled *A New Approach to Economic Development*, exclusive of the attached appendices, and that the direction provided in this resolution, as well as resolutions R-24-109, R-24-110, and R-24-111, shall be interpreted in accordance with the findings of this report;

RESOLVED, That the City Council directs the following policy priorities for the City Administration to guide the creation of policies, procedures, the development of city plans, and the decision making of plan reviewers, engineers, inspectors, and others who engage in the land development processes of the City:

- The city shall support housing development at all income levels in an effort to support housing affordability, and in the review of land development proposals shall lean toward solutions and review standards that expedite approval of projects, demonstrate flexibility and creativity in an effort to provide good customer service for land development applicants, and are permissive for the development of housing as much as is feasible under adopted zoning and land development regulations;
- The city shall support sustainability in the development of the built environment, and in so doing pursue efforts to streamline the review process for sustainable developments, identify efforts to support sustainability in private developments, and encourage the transition of our built environment to be more environmentally sustainable;
- The city shall pursue placemaking initiatives, whereby destination city corridors are supported, encouraged, and built to create a sense of place that attracts new visitors and investments, specifically through the acquisition of strategic interests in real property, and the disposition of

property when it achieves our public policy objectives;

- The city shall prioritize the protection and expansion of our tax base, working with institutional partners to ensure valuable properties are developed and contribute to the tax rolls, and to ensure that parcels in certain corridors and neighborhoods in the city are developed to substantially fulfill the zoning allowed under city code;

RESOLVED, That the City Council directs the City Administrator to establish an Office of Economic Development which shall be led by a qualified economic development professional, whose title and responsibilities shall be determined by the City Administrator;

RESOLVED, That the Office of Economic Development shall pursue the following efforts, subject to additions and amendment at the direction and discretion of the City Administrator:

- Formulate a plan for strategic property acquisition and begin accumulating interests in real property to help fulfill the city's mission driven housing, sustainability, placemaking, and tax base support objectives;
- Work directly with owners of underutilized properties to support development that meets the city's public policy objectives;
- Supervision of the development process for major land developments, providing direction to staff on the development review process and customer service to applicants;
- Engagement with SPARK and local businesses to ensure business expansion opportunities are coming to Ann Arbor, that support systems for workers such as childcare are strengthened, and that systematic obstacles to business expansion opportunities are addressed;
- Provide small business support through the establishment of a one-stop-shop for small business founding and expansion including working on the establishment of a retail incubator in the downtown, and efforts specifically addressed to supporting minority, immigrant, and women owned businesses, especially those in historically distressed areas of the city; and

RESOLVED, That the City Administrator is authorized to bring forth any ordinance changes and budget amendments and other resolutions that require the action of Council to execute the provisions of this resolution, and is otherwise authorized to take any necessary administrative action to implement this resolution.

Sponsored by: Councilmembers Eyer, Briggs, Cornell and Disch