



Legislation Text

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Resolution to Direct the City Administrator to Implement New Processes and Programs for Housing Development at all Income Levels to Support Housing Affordability

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 December of 2023 the City Administrator's Office provided a report 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; and

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

RESOLVED, That the City Council directs the City Administrator to pursue the following changes to city processes in an effort to alleviate any undue burden on the land developments that may be caused by city inefficiency:

1. The city council directs the separation of the site plan and land improvement, or civil plan, processes as much as is feasible, with the following guidance:
 - a. The site plan requirements shall be amended to significantly lower the amount of engineering plans that are required for submission as part of the site plan approval process;
 - b. To a greater degree than is done at present, planning staff should bring site plans forward to the Planning Commission when the city's review has progressed to the point where civil plan review is unlikely to cause major revision to the site plan;
 - c. Planning Commission should approve site plans with conditions, if necessary, rather than denying or delaying site plans to accommodate civil plan review;
 - d. Pursue modifications to the Unified Development Code that expand the categories and scope of site plan modifications that may be considered with Planning Manager Approval.
2. Ensure that public engagement around site plans is effective and timely for the public, and that it does not overburden the timeline for development. The City Administrator shall bring code amendments forward to achieve the following changes:
 - a. Amendments to the Citizen Participation Ordinance so that notification of projects is made digitally through city communication channels (in addition to the paper notification currently required in the ordinance), so that notification in effect becomes a city-wide effort, so that a calendar of meetings under this ordinance is kept on the city website, and so that the timing of the Citizen Participation Ordinance meeting is concurrent with site plan submission;
 - b. Hearings before the Design Review Board shall no longer be required by ordinance, and a review of the Design Review Standards for each project will become a city planning staff function;
 - c. Elimination of the Public Hearing requirement for site plans at the Planning Commission, however Planning Commission meetings should be restructured to allow

public comment for each site plan that appears on the agenda.

3. Modify the Unified Development Code to expand the categories and extent of development that do not require site plan review and the corresponding site improvements (i.e. traffic safety, stormwater system, solid waste standards).
4. Pursue amendments to the Approval Matrix for site plans in the UDC so that more site plan work may be approved by staff, including changing the threshold for what size of projects require a site plan, or what size of projects require approval by the Planning Commission;
5. Working with the City Attorney, refine development agreements so they are smaller, are not redundant to language already included in city ordinance, and present City Council action that provides the City Administrator with broad authority to negotiate and execute such agreements on the City's behalf;
6. The City Administrator shall bring budget amendments forward in the FY25 budget to eliminate single points of failure in our staffing structure related to the land development process;
7. Make ordinance amendments to the utility upsizing requirements so that new developments are not required to install or pay for water infrastructure beyond that which is required for the development they are actually building;
8. Simplify the right-of-way vacation process so that it is much easier to navigate when the city is contemplating selling a right-of-way that has never been developed, or a so-called "paper street";
9. Amend city ordinance so that the Planning Commission is no longer asked to recommend single family annexations or zonings and to permit such applications to proceed directly to City Council;
10. Amend city ordinance to eliminate land division notifications, since we are required under state law to approve these divisions anyway and the notifications serves no real purpose in the approval process;
11. Publish a concise development manual for the city that details the major themes and steps in the process, so more developers and consultants are better prepared to deal with the city's

development requirements up front;

12. The City Administrator shall ensure that building code compliance is completed as efficiently as possible, and shall encourage the building code official to determine ways that they can achieve a finding of compliance with as little revision or comments as is reasonable while ensuring building safety; The City Administrator shall engage with a third party contractor to review building code compliance efficiency and ensure best practices are being implemented to achieve timely service to applicants and building safety;
13. The city shall explore options for smoothing how utility interconnection fees and utility improvement agreements are assessed, so we are no longer assessing these fees on a purely first-in basis, and the city's Legislative Policy Agenda shall be further amended to direct staff to explore changes to state law that allow utility interconnection fees to be assessed differently vis-à-vis our requirements under the Bolt guidelines.

RESOLVED, That unless otherwise specified these projects shall be communicated to the Council no later than December 31, 2025;

RESOLVED, That the City Administrator shall explore hiring a consultant to help research and write these ordinances and process changes if staff capacity does not exist to do so within the timeframes specified; and the City Administrator shall endeavor to provide an estimate to the Council for the cost of such services as soon as is feasible;

RESOLVED, That the City Council is directing these changes to be implemented in a timely manner, and directs City staff to provide community engagement insofar as is prescribed by ordinance and to emphasize efficient use of resources to achieve the desired goals; 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 Disch, Briggs, Cornell and Eyer