



# CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

**DATE:** November 14, 2017

**TO:** Mayor Rosalyn Bliss

**FROM:** Grand Rapids Rose Center Fellows

**SUBJECT:** Final Rose Center Fellowship Recommendations

## INTRODUCTION

In November 2016, the National League of Cities (NLC) and the Urban Land Institute (ULI) announced that Grand Rapids, along with Anchorage, AK, San José, CA and Washington, D.C., were selected as the 2017 class of Daniel Rose Fellows by the Rose Center for Public Leadership in Land Use (Rose Center). The Mayors from each city appoint and lead multi-disciplinary teams that received technical assistance on a local land use challenge from NLC, ULI, two appointed advisors and their peers from other fellowship cities. The Fellowship is fully funded by the Rose Center without cost to any of the participating cities.

The Grand Rapids Fellowship team sought to develop recommendations on how the City of Grand Rapids can refine how it evaluates and participates in private development to ensure that public investment is used to further public policy goals. This aspiration included a desire to increase access to opportunity for communities that are increasingly disconnected from economic growth, and to clearly communicate with the development community about where and how it plans to partner on projects.

The yearlong Fellowship included working retreats at the NLC City Summit at the beginning and end of the program year, a ULI Spring Meeting at its mid-point, a study tour of another U.S. city, and study visits to each of the four fellowship cities. The Grand Rapids study visits occurred in March 2017, with a follow up in September 2017. During these visits, the Fellowship advisors, NLC staff and selected land use experts toured the City and met with local representatives to gain a better understanding of the development climate and the policies that help shape the City's financial participation in development projects.

Over the two study visits, more than 100 citizens representing a variety of interests and organizations participated and offered their insights on the opportunities and constraints facing Grand Rapids. Based on that feedback, and the advice of the project advisors and panelists, the following ten policy, advocacy and capacity-building recommendations are offered for your consideration. It is recognized that each of the recommendations require additional vetting and approval before being codified.

However, the Fellowship feels strongly that if taken collectively they will have significant impact on moving the City closer to aligning its policies with its economic and social equity goals.

## **RECOMMENDATIONS**

### **Policy Recommendation #1 – Establish a geographic focus for using incentives/development tools.**

*Recommended Implementation Lead: Economic Development Project Team*

The use of public financial incentives in Grand Rapids has historically benefited areas such as Downtown and certain commercial corridors. These partnerships have undoubtedly helped create a vibrant city. Recognizing that most development, and thus the municipal development toolbox, has followed market dynamics, the areas receiving market-driven and public incentive-derived support are predominantly those where traditional real estate considerations such as profitability, risk tolerance, and commercial lending are satisfied. Because these traditional considerations alone cannot help bridge a disparate economic gap, the Rose Fellowship highlighted the need to reevaluate how and where public incentives are used to achieve the City's equitable economic development goals. To accomplish this, it is recommended that City incentives and resources be focused on: a) transit corridors to take advantage of the potential of transit; and b) areas of the City where incentives and investments are needed to help ensure neighborhoods are sharing in the growth and development.

There was a sense throughout the Fellowship engagement that a disconnect exists between transit investment and land use planning. The result is a missed opportunity for transit to work better for citizens which may result in the reduction of the number of single occupancy vehicle trips generated by development. There is broad recognition these efforts could be bolstered by using public incentives to target development in current and future transit corridors, which might include those identified as "Transit Corridors" in Vital Streets.

This modified geographic approach does not imply incentives would no longer be used in Downtown or other areas of relative prosperity. Rather, there would be a policy to allow different levels of incentives to be available based on geography, and that public funds would be directed toward activities that drive community goals.

As an additional element to this approach, and to ensure development is benefitting those in the target investment areas, there is a need to cultivate new investors and developers through an equitable economic development strategy. This work would include proactive education and training on how investors and

developers can access the economic development tools and increase the viability of investment.

**Policy Recommendation #2 – Use the public land disposition process to provide more financial resources to support affordable housing.**

*Recommended Implementation Lead: Economic Development Project Team*

Like other cities with a growing economy and real estate market, certain areas of Grand Rapids have experienced significant increases in housing prices. In some neighborhoods of the City, this has resulted in displacement of long-term residents.

In part to address this, in 2017 the Mayor appointed a Housing Advisory Committee to review and recommend changes to existing ordinances, as well as to create new ordinances and policies to ensure there is housing in Grand Rapids that is attainable and affordable for all residents. As an element of that process, an Affordable Housing Fund (Fund) will be created that will be governed by an Affordable Housing Board. The purpose of the Fund is to aid in the funding of affordable housing projects throughout the City.

In an effort to increase the amount of financial resources available to the Affordable Housing Fund to accomplish these opportunistic goals, a policy amendment to City Commission Policy 900-41, Disposal of City of Grand Rapids Owned Non-Residential Property, could be considered to require the dedication of 25% of the revenue from the sale of all public assets for future land acquisition for strategically located affordable housing development sites to support equitable outcomes. This would create a financial mechanism that would allow the City to take a pro-active role in securing land in geographically-prioritized areas to support affordable housing.

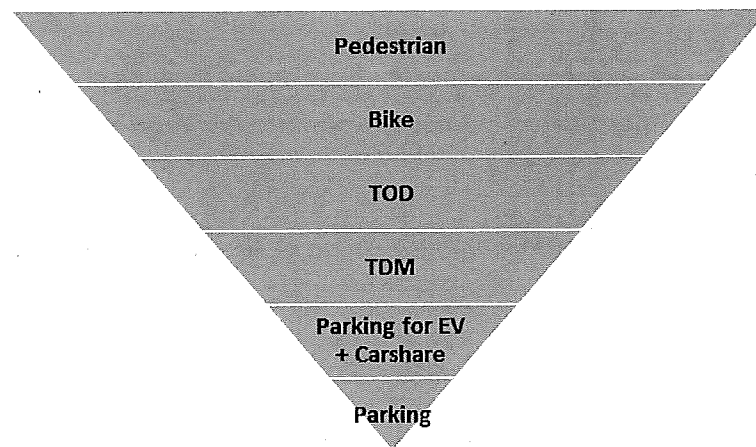
Resources from the Fund could be used via a place-based focus to recover from historic disinvestment as well as scattered-site efforts to be opportunistic and avoid overconcentration of affordable housing. Participants in the Housing Focus Groups stressed that affordability needs to be integrated throughout the City, and policymakers and City leaders need to communicate the importance of affordable housing to all residents. City leadership needs to make a bold statement of goals and values, and at the neighborhoods level this communication needs to be as diverse as Grand Rapids neighborhoods are different.

**Policy Recommendation #3 – Prioritize eligible activities for public financial incentives.**

*Recommended Implementation Lead: Economic Development Project Team*

The Rose Fellowship work exposed the need for more investment in mobility and a more directed use of financial incentives to support transportation infrastructure. Currently, the largest eligible activity that qualifies for the use of public incentives is structured parking, which is the most expensive mode to accommodate, for both the City and for individual users.

To combat this reality and provide greater option within the transportation system, it is recommended the City establish a modal hierarchy that prioritizes the use of public incentives to support amenities that contribute to a more walkable, bikeable, transit accessible City. Cities like Grand Rapids need to meet the needs of all users and the Rose Fellowship highlighted the “last-mile” problem of transit could be addressed with a bike share program, as well as car share and, in general, better pedestrian infrastructure and intersection treatments.



Transportation is the second-highest household expense after housing. To the extent one can lower it, it allows households to spend money on other needs. When it functions well, transit can be an important tool for equity. But it needs a suite of supportive policies to make it effective, including those from employers which frequently encourage particular modes with subsidization policies. is the Rose Center Fellowship team recommends the City create policy to prioritize the use of financial incentives to support this hierarchy and explore mitigating and potentially eliminating structured parking as an eligible activity, except where it meets established City equity goals.

**Policy Recommendation #4 – When using public incentives, require Micro-Local Business Enterprise contracting and consider additional requirements for the purchase of local goods and services.**

*Recommended Implementation Lead: Economic Development Project Team*

As part of public investment through economic development incentives, the City should be asking investors what percentages of micro-local business enterprises (MLBE) they can hire, and hold them accountable to those goals. There are best practices that suggest how to implement this approach through legal agreements such as the Oakland Army Base redevelopment (<http://www.policylink.org/blog/oakland-army-base>). Although these may have been stretch goals for the project, a conversation with contractors to determine what is possible in Grand Rapids could lead to opportunities for more citizens to participate in the benefits of new investment. The Rose Center Fellowship advisors facilitated two focus groups on workforce development during the follow-up visit in September, 2017. During both focus group, participants universally suggested and agreed that the most effective mechanism the City could enact to support job and wealth creation among disadvantaged populations was through the establishment of MLBE hiring and contracting agreements for public projects or those development projects that utilize public incentives.

The Rose Center Fellowship panel also recommended, endorsed by the workshop participants, that there be a conversation around creating an inter-agency, public-private working group to assess workforce development programming and investments to address redundancies and gaps (collective impact model). Clearly, Grand Rapids has a rich community of local philanthropies and non-profits who are already working in this space and will be critical partners to making these efforts more strategic and successful.

**Policy Recommendation #5 – Develop an Equitable Economic Development Strategy.**

*Recommended Implementation Lead: Economic Development*

Throughout the Fellowship term, the need for strategies to empower existing residents and businesses to participate and benefit from the new development and economic activity planned in the City were discussed. By building on and connecting existing programs, an Equitable Economic Development Strategy that encompasses quantitative and qualitative measures, benchmarking program evaluation and encompasses all aspects of equitable economic development could provide a clear and transparent vision for investors, residents, partners, entrepreneurs and businesses and establishes criteria for success. A formal engagement process, evaluation of current programs and resources evaluated through an equity lens could lead to a vision outlined by an action plan for how the City plans to achieve the vision.

## **Policy Recommendation #6 – Develop a Comprehensive Transportation Vision to Support Equitable Development.**

*Recommended Implementation Lead: Mobile GR*

Cities like Grand Rapids need to increase capacity to build a 21<sup>st</sup> century transportation system to meet the needs of all users. Transportation planning is rapidly changing and requires more than a maintenance activity focus. The Rose Fellowship highlighted the limited mobility options that impact residents and employees, restricting the economy and quality of life. Transportation and mobility need to be elevated by creating a structure in Grand Rapids to more rapidly advance improvements to transit, biking and walking. The City should have its own transportation plan that makes explicit goals such as future mode share split, and also links to other policy goals such as sustainability. A transportation plan could establish strategies that enable the City to:

- a) Adopt a people-first priority for transportation investments to reflect the eligible activities for public incentives and ensure investments are equally balanced across modes,
- b) Adopt metrics to measure performance for all modes focusing on safety, mobility and accessibility, and;
- c) Address internal City structure for delivering transportation services to support development.

Like many mid-sized cities, the City of Grand Rapids does not have a Department of Transportation. Other cities across the country have wrestled with similar challenges in creating a transportation system to better address equity challenges. Most notably, the City of Oakland recently completed a strategic plan and created a new Department of Transportation to better connect residents and employees to transportation and create a more equitable, safer city. A shift to a people-first strategy requires a new approach to decision-making and implementation of a new transportation vision.

It is recommended to evaluate the role of transportation service delivery between Mobile GR and Parking Services, Traffic Safety, Lighting, Signals and Signs, Engineering and Planning for a potential new structure. This structure will expand the City's capacity to work more actively to bring The Rapid, private mobility companies, and communities together to ensure that equity considerations are included within all forms of mobility including bike share and car share. By using better data in decision-making, including socioeconomic information alongside more conventional safety and traffic data, the City can improve outcomes for all community members.

### **Advocacy Recommendation #1 - Qualified Action Plan Updates**

*Recommended Implementation Lead: Executive Office, Community Development*

It was discussed heavily by stakeholders participating in the Grand Rapids study visit and the follow-up (see Appendix A for more detail) that advocacy efforts related to the Michigan State Housing Development Authority's Qualified Action Plan (QAP) for 2019-2020 be considered to ensure equitable development of affordable housing within City neighborhoods. Advocates noted that the state Low Income Housing Tax Credit QAP criteria can reinforce concentration of affordable units. There were many suggested state policy changes, the political feasibility of which are unknown, but one suggestion was to award extra points for locating affordable units in otherwise "unaffordable" neighborhoods. As a result, through review of the QAP, submission of comments and recommendations for modification along with participation at hearings or other advocacy opportunities should be pursued alongside housing partners and advocates before the deadline.

### **Advocacy Recommendation #2 - Align Local and State Economic Incentives**

*Recommended Implementation Lead: Executive Office*

In addition to the advocacy efforts related to the Michigan State Housing Development QAP, the City and its partners should seek alignment between the various state tools administered by the Michigan Economic Development Corporation (MEDC) and local development tools. While the intent of the tools are related, different state policies have unintended effects locally which have unintended consequences. As an example, MEDC's most powerful urban revitalization tool, Community Revitalization Program (CRP) offers limited eligibility outside of Downtown Grand Rapids and within the neighborhoods and commercial corridors most in need of investment and sound growth planning. Where the City Commission directs staff to pursue modifications to the use of its development tools, the Rose Center Fellowship teams recommends the complementary pursuit of policy changes to state tools to ensure that various tools can help direct the intended local outcomes.

### **Capacity Building Recommendation #1 - Establish a Chief Participation Officer**

*Recommended Implementation Lead: Mayor and City Commission*

During the Grand Rapids discovery period, The Rose Center Advisory Panel observed that the term "engagement" elicited frustrations and unmet expectations from citizens and stakeholders. Further, among both practitioners and policy makers there exists disagreement about a common, local definition and best practice for civic participation and engagement. Despite this, in some communities it is understood by those in the development industry that well

managed citizen involvement can lead to more appropriate and sustainable development solutions and ultimately yield stronger citizen groups and communities as a by-product.

While there is agreement on the benefits of productive community participation, there remains almost universal uncertainty as to the best way of involving local communities in the process. Compounding the challenge is the reality that there exists no perfect formula for citizen involvement during local decision making. The approaches and mechanisms for engagement in urban planning can vary quite significantly, and each consultation design should be tailored to the assets and needs of the community it aims to impact. Meanwhile, dozens of different departments within the City of Grand Rapids manage various types and qualities of citizen participation and engagement efforts yielding vastly different experiences for the citizens that provide their time, passion, and insight.

"The question of how to meaningfully and authentically engage community members in planning and development efforts is both difficult and important. Achieving equitable neighborhood revitalization takes fusing the hopes, dreams, wisdom and creative problem-solving of community members with the expertise, resources and knowledge of planners, community developers, artists, public officials, the private sector and others working to strengthen our communities" (Mehta). The process needed to delicately fuse the aforementioned assets requires an empathetic and prescient-grade skillset. Given the lofty aspirations, it is most critical that the architect of those processes be an individual whom the City Commission trusts to design and / or certify the means by which the City of Grand Rapids manages the voices of its citizens as a component of municipal decision making. As such, the Rose Center Fellowship Team recommends establishing a new position, perhaps even a new City Commission-appointed position, described herein as the Chief Participation Officer (CPO), whom would oversee all municipal plans, policies, and projects that intend to tap into the intelligence of citizens.

In this capacity, the CPO would understand the needs of the departments intending to engage with the community, design, review or augment their plans accordingly, and certify the participation plan in a manner similar to the City Clerk or City Engineer's respective stamp or certification. Similarly, the CPO can also develop more uniform, predictable standards and timelines for the interface between the development community and neighborhood groups. Such practice should eventually grow into a clear expectation for those development projects seeking to utilize local financial incentives.

Through this investment, the City Commission could establish an office that learns from each and every consultation, more formally integrates the 'public' in



the use of public incentives, creates an environment for continual improvement, and ultimately – builds trust between the development community, City Hall, and the citizens it serves. Moreover, the CPO would be responsible for designing public consultations processes to maximize meaningful involvement, particularly of those who are most directly affected by inequities, and build the community's capacity and infrastructure to participate in future processes. As a sample of key considerations, the Interaction Institute for Social Change developed a set of sample questions (see Appendix B) that should be answered as a part of designed equity into public participation and engagement processes.

## **Capacity Building Recommendation #2 - Invest in a Citizen Learning Institute**

*Recommended Implementation Lead: Executive Office*

While sometimes contentious, but more often productive and rewarding, community engagement involves the process of working collaboratively with individuals and groups to achieve specific goals. Well-designed and implemented community engagement processes allow public officials to directly involve their constituencies in the ongoing design, planning, and management of limited municipal resources (Parker). Just as good process is a predictor of success, the inverse is unfortunately also highly probable. Where consultation processes are deficient in educational resources and involving citizens new to the trade-offs and limitations of municipal decision making, participants may view the process as predetermined or disorganized. Worse still, it may discourage them from future participation in local government and lose confidence and trust in their elected and local leadership.

In addition to fortifying the City's internal capacity to design and implement exceptional public participation strategies, there also exists the need to develop capacity amongst the neighborhoods and community leaders that are engaged by municipal leaders. Participants in the various Rose Fellowship focus groups noted that years of declining resources to support neighborhood and business associations resulted in a diminished basis of understanding of the development process. In the place of good information, citizens work with imperfect information and / or incorrect assumptions. As a mechanism intended to support the development of informed, prepared citizens, the Rose Center Fellowship team recommends the establishment of a Citizen Learning Institute. A similar recommendation was included in GR Forward (Goal 2, page 157) and is currently being explored by Stacy Stout in the office of the City Manager.

A CLI would create an opportunity to spread knowledge further and empower citizens across the City to better understand, and engage in, local planning and design issues. One example of this kind of initiative is Philadelphia's Citizen's Planning Institute [CPI], the education and outreach arm of the Philadelphia City

Planning Commission. CPI offers courses and events designed to inform civic-minded community members about planning principles and municipal procedures around development and City decision making, including how to engage in opportunities for public input. Other cities pursue this idea outside of City government, relying instead on local non-profits and development agencies. The City, Downtown Grand Rapids Inc. and their partners should consider tapping into local expertise to develop a program focused on citizenship education. More informed and engaged citizens would benefit Downtown and communities across the City as well. As with the Citizen's Planning Institute, accommodations must be made to ensure the broadest participation possible across incomes and neighborhoods. CPI tracks participation in their programs in order to identify and address gaps in their services.

## **CLOSING**

The Daniel Rose Fellowship was a tremendous opportunity for Grand Rapids to receive considerable insight and guidance from nationally recognized industry experts to help respond to our land use challenge. Over the course of the Fellowship year, that challenge broadened to address more macro level realities and as such, these recommendations reflect a broader imperative to address economic disparities exasperated by racial inequity. This collection of recommendations is intended to address the key concerns raised by citizens that engaged in the process, and is meant to inspire additional creative consideration for how municipal tools can evolve to meet contemporary understanding of the local condition. The Rose Fellowship team would like to thank Mayor Bliss for her support and motivation to think broadly and boldly through the Fellowship year, and encourages the Grand Rapids City Commission to evaluate the recommendations included herein as a component of their charge to build a better Grand Rapids for all of its citizens.

## Appendix A

Some of the challenges and gaps in the current landscape of Housing Policies and Ordinances that participants identified included:

- Rents have doubled or even tripled in some neighborhoods in recent years, fueling displacement of existing residents and businesses
- In those transitioning parts of the City, they have seen predatory purchase offers are being made to entice financially vulnerable existing property owners to sell and leave
- There is evidence that lead paint laws are being abused by landlords, creating health concerns for more affordable rental properties
- Language is a barrier to access support programs and make sure tenants know their rights in Hispanic neighborhoods
- The perception that City staff and housing organizations are already over capacity
- At the same time, they believe that community development needs to be more than just distribution of dwindling federal funding, and the City should take a more comprehensive approach
- State law does not allow rent control, owner eviction protections, tenant opportunity to purchase
- The use of Walkscore as a criteria by the state housing finance agency in awarding tax credits can lead to concentration of affordable units
- The perspective from developers that the process of doing business with the city is getting more difficult, adding cost and time that results in more expense asking prices upon completion
- In direct contrast to that, there is a perception from neighborhood advocates that for major developments, the City already has a plan worked out, there is no real engagement, and the approval process is "rubber stamp"
- Perhaps a more even observation was that some developers are doing good engagement, others just hire a consultant and check the box
- And while some neighborhood associations are aggressive and demand engagement and enforce compliance, others do not have that capacity
- Some participants urged the City to not assume neighborhood associations are representative, pointing to changing demographics
- Some neighborhood advocates acknowledged that that transiency is leading to decline in neighborhood associations' participation and asked for city support for them to do more community engagement

## **Appendix B**

### **Key Process Design Decisions in Which to Engage People who Face Inequities**

- What staff and consulting roles will be needed for the planning process, including organizers, interpreters, facilitators, and others necessary to support broad-based engagement, as well as technical consultants?
- Does the project budget ensure that adequate resources are invested in the public engagement process and in the process of discovering solutions that will achieve more equitable outcomes?
- What working groups, commissions, task forces, and other groups will be involved in developing and adopting the plans? How will residents be involved in each? If there is a separate working group focused on equity issues, how will its members overlap with and interact with other groups in the process?
- Who is making which decisions? What is the relationship between the various working groups, staff and consultants?
- Does the project timeline ensure adequate time for community engagement to inform the issue framing, vision, solutions, and priorities within the plan?
- Does the team of consultants and resource people have expertise in equity as well as technical expertise? Does everyone supporting the process understand and support the goal of weaving equity into the planning process and the plans themselves?
- What are the multiple ways to engage members of the public, including ongoing participation in working groups or committees, periodic participation in public events, online options, and informal dialogues?
- What is a communications strategy that will support the various forms of community engagement in the planning process?
- What strategies, including communications, organizing, public education and network building, can the process employ during the planning process to begin to build public support for the plans?

**CITATIONS**

Mehta, Neeraj. The First Steps to Meaningful Community Engagement. Next City. October 31, 2012

Parker, Cynthia Silva. Equity and Urban Planning – Engage those most directly affected by inequities. Interaction Institute for Social Change. November 13, 2015.

Prepared by Grand Rapids Rose Fellows