

# Chapter 4: Principles and Recommendations for Urban Revitalization (Draft)

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Michigan cities large and small have been substantially affected by urban sprawl over the last four decades. Many older urban areas have lost and continue to lose population, employment opportunities, private investment, and tax base. In many areas, sprawl has concentrated those in poverty and resulted in racial segregation. Residents who remain in these areas face higher costs for public services, fewer accessible well-paying jobs, decreasing property values, deteriorating neighborhoods, low-quality schools, and a general impairment in the quality of life. Recent studies have shown that the lack of viable central city areas in Michigan places our state at a distinct competitive disadvantage in attracting and retaining the young, highly recruited workers needed to encourage private economic investment and sustain economic prosperity. Vibrant cities could also position Michigan as a national and international tourism destination.

Past government policies have contributed to the decline of Michigan's cities, but changing only the public policies that have subsidized sprawl will not be sufficient to reverse the private disinvestment that continues to occur; there must also be a commitment of state resources. Reestablishing the viability of Michigan's cities will require innovative public policies and programs that encourage private reinvestment in older urban areas. Michigan has recently adopted effective incentives and assistance to encourage redevelopment of brownfields and designated urban core areas. These tools must be maintained and expanded, and government decisions related to redevelopment streamlined. Making state redevelopment assistance and incentives available is crucial to managing growth and making our cities more attractive places to live and work.

## GUIDING PRINCIPLES

In formulating its recommendations for revitalizing Michigan's cities, the council established the following guiding principles that address government policies and practices and the need for redevelopment tools and a supporting legal framework. The council believes that it is important that state, regional, and local governments have **policies and practices** that recognize:

- The importance of reducing concentrations of poverty in inner cities and making good schools, safe neighborhoods, quality health services, recreation, and other quality-of-life amenities (e.g., nearby retail service, employment, and cultural institutions) more equitably available to all residents
- The desirability and benefits of walkable and rollable, compact, mixed-use, mixed-income, racially diverse, livable urban cores and neighborhoods that are characteristic of "cool cities"
- The need to make land use decisions in a way that ensures the fair treatment of people of all races, cultures, and incomes

- The entitlement of all residents to a safe and healthful environment where they live, work, and recreate
- The essential contribution of vibrant small, medium, and large downtowns, including stable residential populations, to the economic health of regions
- The value of encouraging retail businesses and service providers to stay or locate within the urban communities where their customers live
- The critical role of accessible local and multijurisdictional transportation alternatives in economic development, in reducing traffic congestion, and in minimizing urban land devoted to surface parking
- The need to unlock the value of vacant, abandoned, and/or underutilized property in older cities
- The unique character of a community's historical, cultural, artistic, architectural, and natural resource assets and the need to preserve them

The council also believes that state agencies and local governments must have access to effective **redevelopment tools** and **supporting laws and regulations** that:

- Promote new private investment and reinvestment in already developed areas
- Address existing government barriers to downtown revitalization
- Discourage state decisions and policies that subsidize and support sprawl
- Target investments to maintain public infrastructure already in place (*Fix-It-First*)
- Allow timely assembly of lands and property needed for urban redevelopment
- Expedite government decisions on the appropriate reuse of environmentally impaired property while protecting human health and the environment
- Provide for “green infrastructure” as a catalyst to make urban areas more livable and to complement efforts to protect water quality
- Encourage a wide array of options to provide for affordable housing with reasonable proximity and access to employment opportunities
- promote the adaptive reuse of historic buildings in urban cores
- Support government collaboration with local neighborhood organizations in the development and evaluation of revitalization efforts

## RECOMMENDATIONS

The recommendations in other chapters of this report (i.e., Infrastructure and Community Services, Land Resource–Based Industries, and Planning and Development Regulations) address interrelated issues that are equally important to the revitalization of urban areas. The future economic, environmental, and social well-being and sustainability of urban, suburban, and rural communities of our state are interdependent, and the issues need to be addressed collectively. The following specific urban revitalization recommendations relate to three areas: (1) siting of public buildings and facilities, (2) state and local assistance in attracting private investments, and (3) public and private efforts to support more livable urban areas.

### ***Siting of Public Facilities***

1. **The state should support the location of public offices and facilities in urbanized areas consistent with local development plans and compatible with existing land uses to stimulate economic activity, encourage private reinvestment in urbanized areas, make optimum use of existing infrastructure, decrease sprawl, and increase accessibility of government services by:**
  - a. Adopting a policy that directs state agencies, when locating or relocating state facilities, to conform with the following guidelines:
    - (1) First consider the adaptive use of historic buildings or reuse of existing buildings within urban areas.
    - (2) If no suitable existing facilities are available, plan the construction of new facilities within cities or established town centers that have adequate existing infrastructure.
    - (3) Avoid construction of state-owned or state-leased facilities on greenfield sites or at locations that require the construction of new infrastructure, except in those limited instances where the constituency served or programs supported require the use of a rural/open space setting (e.g., certain natural resource, recreation, historic, correction, and transportation-related facilities).
  - b. Supporting other public investments in urbanized areas (e.g., expanded student resident housing constructed by Grand Valley State University in Grand Rapids, the proposed Michigan Welcome Center in southwest Detroit), including the siting of facilities by local governments and federal agencies
  - c. Adopting legislation that requires school districts to comply with master plans and infrastructure capital construction plans adopted by local government
  - d. Developing state incentives for constructing new schools and renovating schools within existing town centers and encouraging shared use of athletic facilities

### ***State and Local Assistance in Attracting Private Investment***

2. **The state should, in concert with local government, coordinate and review proposals to ensure that they effectively promote new private investment and reinvestment in existing urban areas that (1) optimizes the use of existing infrastructure, (2) encourages new retail businesses to serve urban residents, (3) creates new employment opportunities, and (4) otherwise enhances the quality of life in urban communities by:**
  - a. Establishing a technical assistance capacity in one entity in state government, and encouraging local governments to create the same capacity, to provide a central point of contact for private sector investors, local government, and community organizations to access and use available state and federal urban revitalization programs such as:
    - (1) Empowerment, Enterprise, and Renaissance Zones

- (2) Tax increment financing
  - (3) Historic district tax credits
  - (4) Neighborhood enterprise zones
  - (5) Downtown development authorities
  - (6) Obsolete Property Rehabilitation Act
  - (7) Business improvement districts
  - (8) Blight elimination programs
  - (9) Incentives for residential development
  - (10) Michigan Mainstreet program
  - (11) New Market tax credits
  - (12) Brownfield redevelopment
  - (13) U.S. Environmental Protection Agency Environmental Justice grant programs
- b. Defining, in consultation with the private sector and local communities, a set of redevelopment readiness standards by which local governments may measure and promote their ability to compete for private redevelopment investment and state technical and financial assistance.
- c. Supporting environmental brownfield reuse activities by:
- (1) Seeking a stable, long-term source of funding for state actions to address priority areas
  - (2) Targeting remaining brownfield Clean Michigan Initiative funds to support redevelopment
  - (3) Continuing to make available state-funded grant and loan programs that assist local units of government in meeting their redevelopment needs
  - (4) Creating a private-sector financing pool to attract bank and corporate capital as well as leverage government funds for the purpose of redeveloping brownfields
  - (5) Examining current environmental clean-up procedures to identify areas where decisions can be expedited and the process simplified
  - (6) Encouraging the inclusion of a historic review of brownfield properties at the time the environmental review is undertaken and providing incentives for the rehabilitation of buildings on brownfield sites that are determined to be eligible for the national register of historic places
- d. Adopting Redevelopment Fast Track Authority (RFTA) or similar legislation to assist in the assembly of land needed for redevelopment that incorporates the following characteristics:
- (1) Consolidates all state-owned tax reverted property in one entity

- (2) Quiets titles to provide marketable properties
  - (3) Provides that foreclosing local governments may enter into agreements with the state to create a similar authority at the local level
- e. Encouraging renovation and reuse of existing buildings through:
- (1) Development and delivery of an education program on the use of Michigan's Rehabilitation Code for Existing Buildings (adopted October 31, 2002) in collaboration with Michigan Association of Home Builders, the Michigan Housing Council, and the Community Economic Development Association of Michigan
  - (2) Development and implementation of a training program, through the Bureau of Construction Codes, for local building officials on the appropriate application of the Rehabilitation Code for Existing Buildings
  - (3) Enacting legislation to reform laws that allow owners to avoid responsibility for abandonment of buildings
  - (4) Development of policies and incentives that promote and encourage the adaptive reuse of historic and existing buildings

### ***Public/Private Support for Livable Communities***

#### **3. The state should support public and private efforts to create and maintain "livable" urban areas where people want to live, work, learn, shop, and recreate and where there is a range of equitable housing options for all income levels by:**

- a. Complementing local government's efforts to create "green infrastructure" including such things as:
- (1) Inner-city trails/pathways/open space/parks
  - (2) Public access to and enjoyment of urban waterfront assets
  - (3) Use of tax reverted lands to create open space that encourages development
  - (4) Public and private partnerships (e.g., Detroit Riverfront Conservancy and the Southeast Michigan Greenways)
- b. Establishing a permanent and secure state funding source for capital and operational assistance to help support cultural, artistic, and historical assets and institutions such as the creation of a Michigan Cultural Resources Trust Fund.
- c. Encouraging efforts to control urban blight through:
- (1) Determining the applicability of neighborhood early warning information systems used in other states to address blight in Michigan urban areas and funding demonstration projects that apply the principles of programs identified as successful
  - (2) Adopting legislation that would encourage local governments to adopt civil remedies to municipal code violations and allow the establishment of an

- expedited process to adjudicate alleged violations outside of the criminal court system
- (3) Expanding Michigan’s spot blight condemnation statute to include commercial and industrial property and appropriately recognize the time required to market such properties
  - (4) Strengthening law enforcement authority and adjudicatory alternatives to address illegal waste dumping
  - (5) Encouraging local governments to enforce rental inspection programs that are primarily designed to reduce blight and unsafe living conditions
- d. Creating market rate and affordable housing options in urban and rural areas by:
- (1) Establishing a Michigan Housing and Community Development Trust Fund to make grants to for-profit and nonprofit developers that agree to develop mixed-income rental and homeownership projects
  - (2) Encouraging Smart Housing Zoning Codes that simplify urban redevelopment process encourage mixed use and income levels, and expand housing choices
  - (3) Advocating for Community Land Trusts that allow communities or nonprofits to own the land beneath affordable units, making purchase of the units more affordable
  - (4) Supporting Mutual Housing Cooperatives that provide ownership structures that limit profits from an owner’s sale of a unit
  - (5) Promoting Location Efficient Mortgages that expand homebuyers’ purchasing power by granting them income credits for living close to public transportation, which greatly reduces their automobile expenses
  - (6) Expanding the Michigan Individual Development Accounts (IDA) program to help people with lower incomes become homeowners
- e. Developing and enhancing ways for municipalities and private developers to fund, finance, construct, operate, and maintain mixed-use parking structures that support compact, walkable urban centers and minimize the negative impacts of surface parking lots
- f. Supporting local “Safe Routes to School” programs, which encourage walking and biking to school and address safety concerns (e.g., increased enforcement of traffic laws, design of safer streets, public education on safety, and removal or control of structures that pose hazards to children)
- g. Supporting day care, job training, higher education, and similar facilities as integral components of urban neighborhoods

### ***Retaining and Attracting Residents to Michigan Cities***

- 4. The state should develop policies that retain and attract skilled workers, artists, entrepreneurs, highly educated and trained 25 to 40 year-olds and others who seek to live and work in diverse, vibrant urban communities by**
  - a. Providing technical assistance and training to existing residents to enhance the skills and knowledge needed to participate in and contribute to the economic viability of cities
  - b. Supporting the governor’s “cool” cities initiative by identifying policies, practices, and tools that can be used to attract the highly trained, educated, and employable 25–40-years-olds to live and work in Michigan cities
  - c. Marketing cities as a place to live to residents in existing Michigan urban ethnic communities to encourage further immigration from outside the country through:
    - (1) Targeting enforcement of consumer protection laws to prevent fraud by those assisting immigrants for profit
    - (2) Assuring that government services essential to new immigrants (e.g., automobile registration, driver’s license, or identification) is accessible and user-friendly to immigrant communities
  - d. Creating financial incentives for cities and developers that will target housing and/or employment opportunities designed to retain and attract residents that are essential to the sustainable, economic viability of cities

### ***Commerce Centers***

- 5. The state should recognize certain communities as “commerce centers” because of their fundamentally urban/suburban and commercial character, and the fact that infrastructure (e.g., water and sanitary sewers) are already in place. The state should target its resources to support redevelopment and growth within these existing commerce centers by adopting policies and legislation that would:**
  - a. Define commerce centers based upon:
    - (1) Population density, and
    - (2) Availability of public infrastructure required to support development
  - b. Where need can be demonstrated, target commerce centers for state/federal financial assistance, such as:
    - (1) Enhanced revenue sharing funds
    - (2) State and federal transportation and other infrastructure dollars
    - (3) Regional cooperation grants to encourage multijurisdictional cooperation and shared services
  - c. Provide local units of government designated a commerce center priority access for the use of development/ redevelopment tools such as:

- (1) Downtown development authority
  - (2) Local development finance authority
  - (3) Principal shopping district/ business improvement district
  - (4) “Fast track” legislation to clear property titles
  - (5) Obsolete property brownfield tools
  - (6) Directed Community Development Block Grant funding
  - (7) Affordable urban housing funds and programs
  - (8) Designated “entertainment districts” to allow, for example, extended operating hours for establishments serving alcohol
  - (9) A coordinated state task force approach to streamline state regulatory decisions for new or redevelopment activities within commerce centers
- d. In exchange for being provided these added state resources and tools, encourage designated commerce centers to meet to certain government efficiency and planning standards designed to reduce the cost of government, expedite governmental decision making affecting new private investments, support intergovernmental land use planning, and optimize the use of public infrastructure investments. Such standards could include:
- (1) Establishing coordinated central point of contact in cooperation with the state to assist private sector investors in accessing urban redevelopment tools as recommended in this report (recommendation 2a.)
  - (2) Progress in initiating and implementing the “redevelopment readiness standards” recommended in this report (recommendation 2b)
  - (3) Implementation of other standards adopted by the state to encourage greater governmental efficiency and improved land use and infrastructure planning

At the very least, all local governments in the five largest counties in Michigan (Wayne, Oakland, Macomb, Genesee, and Kent) should be given the opportunity to be designated a commerce center, as well as the urban core cities outside of these five counties.

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