17 Proposed Amendments to the City of Detroit Community Benefits Ordinance

From the survey initiated by Detroit City Council, August 2019



Response prepared by Equitable Detroit Coalition and Detroit People's Platform

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17 Proposed Amendments to the City of Detroit Community Benefits Ordinance

17 Proposed Amendments to the City of Detroit Community Benefits Ordinance at a glance

- YES 1. Lowering the threshold to \$50 Million
- YES 2. Neighborhood Advisory Council Chair to Enforcement Committee
- YES 3. Lowering Tier 2 Development Project threshold to \$300,000
- YES 4. Increase the number of meetings
- YES 5. Expand Notification to Project Impact Area
- NO 6. Planning Department presents Information and Process
- NO 7. Neighborhood Advisory Council Restructuring
- NO 8. Disclosure for Neighborhood Advisory Council Nominees
- NO 9. Neighborhood Advisory Council Member Residency
- NO 10. Neighborhood Advisory Council Member Replacement
- NO 11. Project Impacts and Concerns
- YES 12. Essential Documents to Neighborhood Advisory Council within 72 hrs
- NO 13. Community Benefits Report
- NO 14. Community Benefits Report to Neighborhood Advisory Council
- YES 15. Enforcement Mechanisms, including but not limited to Clawbacks
- NO 16. Enforcement Committee
- NO 17. Developers Partnerships and Commitments

1. Lowering the threshold to \$50 Million

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-2 of the City of Detroit Community Benefits Ordinance defines a "Tier 1 Development Project" as a development project in the City that is expected to incur the investment of Seventy-five Million Dollars (\$75,000,000) or more during the construction of facilities, or to begin or expand operations or renovate structures, where the developer of the project is negotiating public support for investment in one or both of the following forms: (1) Any transfer to the developer of City-owned land parcels that have a cumulative market value of One Million Dollars (\$1,000,000) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates (where allowed by law); or (2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revision to the section would read as follows: Tier 1 Development Project means a development project in the City that is expected to incur the investment of Fifty Million Dollars (\$50,000,000) or more during the construction of facilities, or to begin or expand operations or renovate structures, where the developer of the project is negotiating public support for investment in one or both of the following forms: (1) Any transfer to the developer of City-owned land parcels that have a cumulative market value of One Million Dollars (\$1,000,000) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates (where allowed by law); or (2) Provision or approval by the City of tax abatements or other tax breaks that abate more than One Million Dollars (\$1,000,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



Support the lowering of threshold to \$50 million dollars.

In addition, advocate for lowering the cumulative market value from 1 million to \$500,000;

and inclusion of language that states (1) Any transfer to the developer of city owned land that includes acreage equal to one city of Detroit residential block.

2. Neighborhood Advisory Council Chair to Enforcement Committee

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-2 of the City of Detroit's Community Benefits Ordinance defines the "Enforcement Committee" as a committee led by the City's Corporation Counsel and composed of representatives from the Planning and Development Department, Law Department, Human Rights Department, and other relevant City departments as determined by the Planning Director.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: Enforcement Committee means a committee led by the City's Corporation Counsel and composed of representatives from the Planning and Development Department, Law Department, Department of Civil Rights, Inclusion and Opportunity, City Council's Legislative Policy Division, the Neighborhood Advisory Council Chair of the respective Tier 1 Development Project, and other relevant City departments as determined by the Planning Director. The chair of each Neighborhood Advisory Committee shall be an ex-officio

member of the related Enforcement Committee.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?

YES

support the inclusion of NAC Advisory Board Chair as member of the Enforcement Committee. This status expands the power and visibility of the NAC.

3. Lowering Tier 2 Development Project threshold to \$300,000

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-2-2 of the City of Detroit's Community Benefits Ordinance defines a "Tier 2 Development Project" as a development project in the City that does not qualify as a Tier 1 Project and is expected to incur the investment of Three Million Dollars (\$3,000,000) or more, during the construction of facilities, or to begin or expand operations or renovate structures. where the Developer is negotiating public support for investment in one or both of the following forms: (1) Land transfers that have a cumulative market value of Three **Hundred Thousand Dollars** (\$300,000) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates; or (2) Tax abatements that abate more than Three Hundred Thousand Dollars (\$300,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: Tier 2 Development Project means a development project in the City that does not qualify as a Tier 1 Project and is expected to incur the investment of Three-Hundred Thousand Dollars (\$300,000) or more, during the construction of facilities, or to begin or expand operations or renovate structures. where the Developer is negotiating public support for investment in one or both of the following forms: (1) Land transfers that have a cumulative market value of Three **Hundred Thousand Dollars** (\$300,000) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates; or (2) Tax abatements that abate more than Three Hundred Thousand Dollars (\$300,000) of City taxes over the term of the abatement that inure directly to the Developer, but not including Neighborhood Enterprise Zone tax abatements.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



4. Increase the Number of Meetings

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3 of the City of Detroit's Community Benefits Ordinance under Tier 1 Projects subsection (a)(1) states: Sec. 14-12-3. Tier 1 Projects. (a) Community Engagement Process for Public Meeting. (1) Prior to submitting to City Council, a request for approval of Land transfers or Tax abatements related to a Tier 1 Project, the Planning Director shall hold at least one public meeting in the Impact Area as defined in this Section.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows:
Sec. 14-12-3. Tier 1 Projects. (a)
Community Engagement Process for Public Meeting. (1) Prior to submitting to City Council a request for approval of Land transfers or Tax abatements related to a Tier 1 Project, the Planning Director shall hold no fewer than five (5) public meetings in the Impact Area as defined in this Section, unless a majority of the NAC deems otherwise.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



The revision increases the number of meetings permissible under the ordinance. However, the number of meetings allowed should be determined by the NAC in consultation with the developer, not the Planning Director.

5. Expand Notification to Project Impact Area

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(a)(2) of the City of **Detroit's Community Benefits** Ordinance states: (2) The City Clerk shall forward notice of the public meeting via First Class Mail no less than 10 days before such meeting to all City of Detroit residents within three hundred radial feet of the Tier 1 Project. The notice shall include: a. The time, date and location of the public meeting; b. General information about the Tier 1 Project: c. A description of the Impact Area and the location of the Tier 1 Project; d. Information related to potential impacts of the Tier 1 Project and possible mitigation strategies;

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (2) The City Clerk shall forward notice of the public meeting via First Class Mail no less than 10 days before such meeting to all City of Detroit residents within three hundred radial feet of the Tier 1 Project Impact Area. The notice shall include: a. The time, date and location of the public meeting; b. General information about the Tier 1 Project; c. A description of the Impact Area and the location of the Tier 1 Project: d. Information related to potential impacts of the Tier 1 Project and possible mitigation strategies;

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



Expansion of notification to include *impact area vs project area*. However, a definition of impact area should be included as well.

6. Planning Department presents Information and Process

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(a)(4) of the City of Detroit's Community Benefits Ordinance under "Engagement with Developer" states in part: (4) At the public meeting, the Planning Director will present general information about the Tier 1 Project, discuss ways in which the Tier 1 Project is anticipated to impact the local community, and ways in which the Developer and the Planning Director plan to address or mitigate these impacts.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (4) At the public meeting, the Planning Director will present general information about the Tier 1 Project. discuss ways in which the Tier 1 Project is anticipated to impact the local community, and ways in which the Developer and the Planning Director plan to address or mitigate these impacts. At the initial public meeting the Planning Director will present in detail on the CBO process, how the NAC fits within that broader process, the responsibilities of the NAC and the proposed timeline for the NAC meetings. The Planning and Development Department shall discuss previous NACs and share outcomes and best practices learned from them. The meeting/workshop shall allow for the community to ask questions and learn about the upcoming CBO process. The Developer shall not be present at this first meeting.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?

NO

Planning Department should not have the responsibility to conduct the orientation to the CBO process given potential conflict of effort and conflict of interest.

7. Neighborhood Advisory Council Restructuring

CURRENT COMMUNITY BENEFITS ORDINANCE

7. Sec. 14-12-3(b)(3) of the City of **Detroit's Community Benefits** Ordinance states: (3) The NAC shall consist of nine members. selected as follows: a. Two Members selected by residents of the Impact Area chosen from the resident nominated candidates; b. Four Members selected by the Planning Director from the resident nominated candidates, with preference given to individuals the Planning Director expects to be directly impacted by the Tier 1 Project: c. One Member selected by the Council Member in whose district contains the largest portion of the Impact Area from the resident nominated candidates: and d. One Member selected by the At-Large Council Members from the resident nominated candidates.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section

would read as follows: (3) The NAC shall consist of nine members, selected as follows: a. Three Members selected by residents of the Impact Area chosen from the resident nominated candidates: b. Three Members selected by the Planning Director from the resident nominated candidates, with preference given to individuals the Planning Director expects to be directly impacted by the Tier 1 Project; c. One Member selected by the Council Member in whose district contains the largest portion of the Impact Area from the resident nominated candidates; and d. One Member selected by the At-Large Council Members from the resident nominated candidates. e. The Planning and Development Director as well as the Council Member in whose district contains the largest portion of the Impact Area, and the At-Large Council Members are permitted to select NAC members from outside of the list of resident nominated candidates, however those selected must reside within the impact area. f. There should be one alternate selected by the community. The person with the fourth highest votes from the community should be listed as the alternate person. This person must agree to be present at all meetings and will be notified by the Planning Department

when they are needed to formally replace

a NAC member.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



The NAC current structure is limited and is too heavily influenced by political appointments. EDC advocates that the NAC be replaced by a community-based coalition that includes diverse membership of community residents from impacted area; labor; faith; and small business representation.

8. Disclosure for Neighborhood Advisory Council Nominees

CURRENT COMMUNITY BENEFITS ORDINANCE

8. Sec. 14-12-3(b)(2) of the City of Detroit's Community Benefits Ordinance states: (2) All residents over the age of 18 that reside in the Impact Area are eligible for nomination.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (2) All residents over the age of 18 that reside in the Impact Area are eligible for nomination. Any person who is an agent, employee, or official of the developer must disclose their relationship to the developer prior to selection to the NAC.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?

NO

This revision should be replaced by a statement regarding conflict of interest and conflict of effort as disqualifiers for NAC participation.

9. Neighborhood Advisory Council Member Residency

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(b)(4) of the City of Detroit's Community Benefits Ordinance states: (4) If the Planning Director receives less than nine nominations, the Planning Director may seek out additional nominations from individuals that live outside the Impact Area but within the City Council district or districts where the Tier 1 Project is located.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (4) If the NAC receives less than nine nominations, the City Council Member in whose district contains the largest portion of the Impact Area may seek out individuals that live outside the Impact Area but within the City Council District or Districts where the Tier 1 Project is located.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



The formation of the NAC should be limited to representatives who reside or organizations that have primary headquarters or primary business and or organizational location in the impacted area. Exception for labor representation.

10. Neighborhood Advisory Council Member Replacement

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(b)(5) of the City of Detroit's Community Benefits Ordinance states: (5) All actions of the NAC may be taken with the consent of a majority of NAC members serving.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (5) All actions of the NAC may be taken with the consent of a majority of NAC members serving. Attendance at all NAC meetings by all elected and appointed NAC members shall be mandatory, unless advance notice is provided. More than one (1) absence could disqualify one from further being a NAC member. If a member fails to attend an NAC meeting, an alternate may be appointed by the NAC as a permanent replacement member, at the discretion of the NAC.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?

NO

There should be specific language that states replacement will be selected from the roster of those initially identified as possible NAC members or potential NAC organizational members.

11. Project Impacts and Concerns

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(c)(1) of the City of Detroit's Community Benefits Ordinance states: (c) Engagement with Developer. (1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning Director shall facilitate at least one meeting between the NAC and the Developer to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (c) Engagement with Developer. (1) The Planning Director shall facilitate no fewer than five (5) meetings between the NAC and the Developer as required in Subsection (a)(1) to allow the NAC to learn more details about the project and to provide an opportunity for the NAC to make Developer aware of concerns raised by the NAC. The Developer and the relevant city departments must present to the members of the NAC, at a minimum, how the proposed project may utilize green infrastructure, create jobs for Detroiters, detail which tax incentives they are seeking with specific amounts, and to what extent the project will feature subsidized/discounted/affordable housing and/or commercial space. These recommendations may include but are not limited to noise, traffic and dust mitigation.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



Revision should call for specific language concerning engagement with small Detroit based minority owned businesses; report out on environmental and health related impacts **beyond** noise, traffic, and dust; and social impact including threat to housing affordability and resident displacement.

12. Essential Documents to Neighborhood Advisory Council within 72 hrs

CURRENT COMMUNITY BENEFITS ORDINANCE BENEFITS AMENDMENT 14-12-3(c)(2) of the City of oit's Community Benefits The proposed revisions to this section would read as follows: (2)

Sec. 14-12-3(c)(2) of the City of Detroit's Community Benefits Ordinance states: (2) City Council by a 2/3 vote of members present or the Planning Director may facilitate additional meetings which the Developer, or the Developer's designee, shall participate in as directed.

section would read as follows: (2) City Council by a 2/3 vote of members present or the Planning Director may facilitate additional meetings which the Developer, or the Developer's designee, shall participate in as directed. The City and the DEGC shall provide all essential documents to the NAC Members. District and At-Large City Council members within 72 hrs. of the NAC selection including but not limited to the Detroit Community Benefits Ordinance. development agreements between the city and developer, projected revenue, developer's RFP response, all renderings related to the project, But/For Economic Analysis conducted by DEGC, all environmental studies, documents related to brownfield funding, etc.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



13. Community Benefits Report

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(d)(2) of the City of Detroit's Community Benefits
Ordinance states: (2) The
Community Benefits Report shall contain: a. A detailed account of how notice was provided to organize the public meeting. b. A list of the NAC members, and how they were selected. c. An itemized list of the concerns raised by the NAC. d. A method for addressing each of the concerns raised by the NAC, or why a particular concern will not be addressed.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: (2) The Community Benefits Report shall contain: a. A detailed account of how notice was provided to organize the public meeting. b. A list of the NAC members, and how they were selected. c. An itemized list of the concerns raised by the NAC. d. A method for addressing each of the concerns raised by the NAC, or why a particular concern will not be addressed. e. A detailing list of community outreach strategies used to solicit and record feedback.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



Report should also include documented environmental, social and health impact report by external experts and agreed upon mitigations agreed to by NAC.

14. Community Benefits Report to Neighborhood Advisory Council

EQUITABLE DETROIT COALITION CURRENT COMMUNITY PROPOSED COMMUNITY **BENEFITS ORDINANCE BENEFITS AMENDMENT RECOMENDATIONS** Sec. 14-12-3(d)(3) of the City of The proposed revisions to this Are you supportive of the section would read as follows: (3) **Detroit's Community Benefits** recommended amendment? Ordinance states: (3) The The Planning Director, where Planning Director, where possible, possible, shall provide a copy of shall provide a copy of the the Community Benefits Report to Community Benefits Report to the the NAC prior to submission to NAC prior to submission to City City Council. The NAC will have no Eliminate the "where possible". Council. less than one week to review the Community Benefits Agreement before being asked by the City to vote or sign a letter in support of the proposed benefits.

15. Enforcement Mechanisms, including but not limited to Clawbacks

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-3(e)(1)(a) of the City of **Detroit's Community Benefits** Ordinance states: (e) Development Agreement. (1) All development agreements made between the Developer and the City related to the land transfers or tax abatements associated with a Tier 1 Project shall include the Community Benefits Provision, which shall include: a. Enforcement mechanisms for failure to adhere to Community Benefits Provision, that may include but are not limited to. clawback of City-provided benefits, revocation of land transfers or land sales, debarment provisions and proportionate

penalties and fees; and

PROPOSED COMMUNITY BENEFITS AMENDMENT

and The proposed revisions to this section would read as follows: (e) Development Agreement. (1) All development agreements made between the Developer and the City related to the land transfers or tax abatements associated with a Tier 1 Project shall include the Community Benefits Provision, which shall include: a. Enforcement mechanisms for failure to adhere to Community Benefits Provision, that shall include but are not limited to, clawback of City-provided benefits. revocation of land transfers or land sales, debarment provisions and proportionate penalties and fees; and

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



16. Enforcement Committee

CURRENT COMMUNITY PROPOSED COMMUNITY **EQUITABLE DETROIT COALITION BENEFITS ORDINANCE BENEFITS AMENDMENT RECOMENDATIONS** Sec. 14-12-3(f)(1)a.iv. of the City Are you supportive of the The proposed revisions to this of Detroit's Community Benefits recommended amendment? section would read as follows: (1) An Enforcement Committee shall Ordinance states: (1) An Enforcement Committee shall be be established to monitor Tier 1 Projects. a. The Enforcement established to monitor Tier 1 Projects. a. The Enforcement Committee shall be comprised of, Committee shall be comprised of. at minimum, the following six at minimum, the following four individuals: i. Corporation Counsel individuals: i. Corporation Counsel for the City of Detroit; or their for the City of Detroit; or their designee. ii. a representative from designee. ii. a representative from the Planning and Development the Planning and Development Department: iii. a representative Department; iii. a representative from the Law Department; iv. a from the Law Department; iv. a representative from the representative from the Human Department of Civil Rights. Rights Department. Inclusion and Opportunity. v. a representative from City Council's Legislative Policy Division; vi. the Neighborhood Advisory Council Chair of the respective Tier 1 Development Project.

17. Developers Partnerships and Commitments

CURRENT COMMUNITY BENEFITS ORDINANCE

Sec. 14-12-4 of the City of **Detroit's Community Benefits** Ordinance states: Sec. 14-12-4. Tier 2 Projects. (a) Developers shall: (1) Partner with the City, and when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law. (2) Partner with the Planning Director to address and mitigate negative impact that the Tier 2 Project may have on the community and local residents. (b) The Developer's commitment as identified in Subsection (a) of this section shall be included in the development agreements related to any land transfers or tax abatements associated with the Tier 2 Project for which the Developer seeks approval.

PROPOSED COMMUNITY BENEFITS AMENDMENT

The proposed revisions to this section would read as follows: Sec. 14-12-4. Tier 2 Projects. (a) Developers shall: (1) Partner with the City, and when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law. (2) Partner with the Planning Director to address and mitigate negative impact that the Tier 2 Project may have on the community and local residents. (b) The Developer's commitment as identified in Subsection (a) of this section shall be included in the development agreements related to any land transfers or tax abatements associated with the Tier 2 Project for which the Developer seeks approval. (3) The remaining 80% of the total sales price from Tier 2 property sales shall be evenly divided among the Neighborhood Improvement Fund and the Skilled Trades Fund.

EQUITABLE DETROIT COALITION RECOMENDATIONS

Are you supportive of the recommended amendment?



Recommended revisions: Include language that also speaks to the priority for Detroit residents who live in the impact area for promotion of hiring, training, apprenticeship programs and employability that are consistent with State and Federal Law.

In addition, language that also details the developer's commitment and measures of accountability to conduct outreach and recruitment among impact area and other Detroit residents.

17 Proposed Amendments to the City of Detroit Community Benefits Ordinance



Equitable Detroit Coalition (EDC), the citywide Community Benefits coalition, was founded in 2013. EDC came together in response to the need to build community capacity to respond to the growing investment of public resources in private development projects in downtown and midtown, to the exclusion of Detroit's neighborhoods.

EDC adopted as its primary mission the passage of a citywide Community Benefit Agreement (CBA) ordinance that strengthens the voice and negotiating power of Detroiters through a legally binding agreement with private developers receiving public funds for large scale projects.

Since EDC's founding, the coalition has expanded from the original ten (10) members to include a membership roster of 32 resident and organizational leaders and allied groups from across the seven (7) city council districts.

EDC organizes in neighborhoods alongside resident leaders to fight for neighborhood driven development while advocating for public policies that are rooted in racial and economic justice.

Detroit People's Platform (DPP) is a co-founder of EDC and works for REAL Community Benefit Agreements, advocates and organizes for truly affordable housing and public transit that responds to the needs of Detroit's essential bus riders.

Equitable Detroit Coalition Detroit People's Platform

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