

The background of the entire page is a stylized map of a city grid, represented by white lines on a light gray background. The grid is not perfectly uniform, with some lines curving or branching. In the lower half of the image, several specific blocks or areas are highlighted in a bright yellow color. There is a large irregular shape in the bottom left, a small square in the middle, another small square to its right, and a rectangular shape in the upper right. A dark teal horizontal band is positioned across the middle of the page, containing the main title and subtitle.

# **MAKING DEVELOPMENT WORK FOR DETROITERS**

A Resource Manual for Navigating the Detroit  
Community Benefits Ordinance

**Created by Doing Development Differently  
in Metro Detroit (D4) with support from The Social  
Sciences and Humanities Research Council**

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## Acknowledgments

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D4 would like to offer a special thanks to all the NAC members who provided input during the formation of this manual. Their unique expertise greatly influenced the content of this manual which will undoubtedly help future NAC members.

## A Note to Readers

This manual is a snapshot of the process at a certain time. We recognize that the CBO will see amendments and procedural changes through its lifetime and we will do our best to update this manual accordingly.

DRAFT AS OF 3-16-21



## For More Information

Please visit  
[www.metrodetroitd4.org](http://www.metrodetroitd4.org)





*Photo: Alex Brisbey*

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# HOW TO USE THIS MANUAL

Detroit's Community Benefits Ordinance (CBO) is not perfect, but it is well-intentioned, and can yield important community benefits for Detroiters. As usual, the burden of achieving such positive impacts falls onto a small group of thoughtful, committed citizens. The burden can be tough. Navigating the CBO can be daunting for residents who may not be immersed in the intricacies of development, financial incentives, construction, or community organizing.

More than anything, we hope this manual can help those thoughtful, committed citizens to navigate a complex process, and to make their heavy burden and responsibility a little easier to bear. While primarily intended for Neighborhood Advisory Council (NAC) members, we also hope that this manual can assist other dedicated citizens trying to ensure that community voices are heard in the development process.

This manual is divided into six sections that start with an overview of the CBO. It provides a brief description of policies and incentives that NAC members are likely to encounter, then goes on to highlight benefits achieved through past community benefits agreements. The manual concludes by discussing potential community engagement strategies that can be used to collect feedback from neighbors. Readers will note that there are definitions of important terms sprinkled throughout the text, with a full glossary and directory of potential groups to contact at the end.

The manual can be used in many settings. NAC members may find it useful to read the manual before they start the process. Others may find it a useful reference during NAC meetings, community meetings, and/or negotiations. NACs might find it particularly helpful to review the manual's list of past benefits won under the CBO and in cities across the country.

We have made a deliberate effort to show both the CBO's triumphs and challenges. NAC members may not succeed in obtaining everything they desire, but we hope they will keep trying.



## **RESTORED BASKETBALL COURT**

The CBO agreements for the Detroit Pistons' Practice Facility includes a commitment to restore 60 outdoor basketball courts throughout the city that have fallen into disrepair.



*Photo: Hannah Kang*



“The Community Benefits Ordinance (CBO) is a law that requires developers to proactively engage with the community to identify community benefits and address potential negative impacts of certain development projects... [It] ensure[s] all residents in the impact area have an equal voice in the process”

*- City of Detroit Planning and Development Department*



# SECTION 1 OVERVIEW

# WHAT IS THE CBO?

The Community Benefits Ordinance (CBO) applies to large development projects that receive public subsidies from the City. Under certain circumstances, developers must negotiate a community engagement process through the City's Planning Department and make recommendations to address the negative effects of a project. Detroit is the first major American city to mandate a community benefits process for publicly subsidized developments. Information about past and current CBO projects can be found at [www.detroitmi.gov/CBO](http://www.detroitmi.gov/CBO). The CBO regulates publicly supported developments at two levels:

## TIER 1 PROJECTS

Tier 1 projects cost \$75 million or more AND receive at least \$1 million in discounts on City-owned land or \$1 million in **tax abatements**. The developer and city officials must complete a community engagement process to hear and address community concerns.

**As tier 1 projects require negotiation with Neighborhood Advisory Councils, this is a resource manual for navigating tier 1 projects only.**

## TIER 2 PROJECTS

Tier 2 projects cost between \$3 to \$75 million AND receive \$300,000 or more of discounts on City-owned land or \$300,000 in tax abatements. Developers of these smaller projects are required to hire and train Detroit residents and to mitigate the negative effects of the project on the surrounding neighborhood. Tier 2 projects do not have to discuss other community benefits with a Neighborhood Advisory Council.

### **TAX ABATEMENT:**

Any reduction of an individual or corporation's tax liability. The term commonly refers to tax incentives that attempt to promote investments that boost economic growth or provide other social benefits.

# WHAT IS THE PROCESS?

## IMPACT AREA DRAWN

With at least ten days notice, the City Planning Director calls a public meeting for residents within the proposed project's designated "Impact Area". The notice is sent by mail.

1

## ATTEND THE FIRST PUBLIC MEETING

The City Planning and Development Department (PDD) hosts the first public meeting and gives a general overview of the proposed development.

2

## ESTABLISH THE NAC

The community nominates and votes for two residents of the impact area to join the NAC. City Council and PDD appoint seven other residents to the NAC.

3

## VOICE COMMUNITY CONCERNS

The NAC expresses community interests during meeting(s) with the developer. These concerns are considered, and the developer responds to each of them.

4

## COMMUNITY BENEFITS REPORT

The Planning Director creates a Community Benefits Report based on concerns expressed by the NAC and conversations with the developer. The Report is delivered to City Council for approval and incorporated into the development agreement.

5

## CHECK-IN & ENFORCEMENT

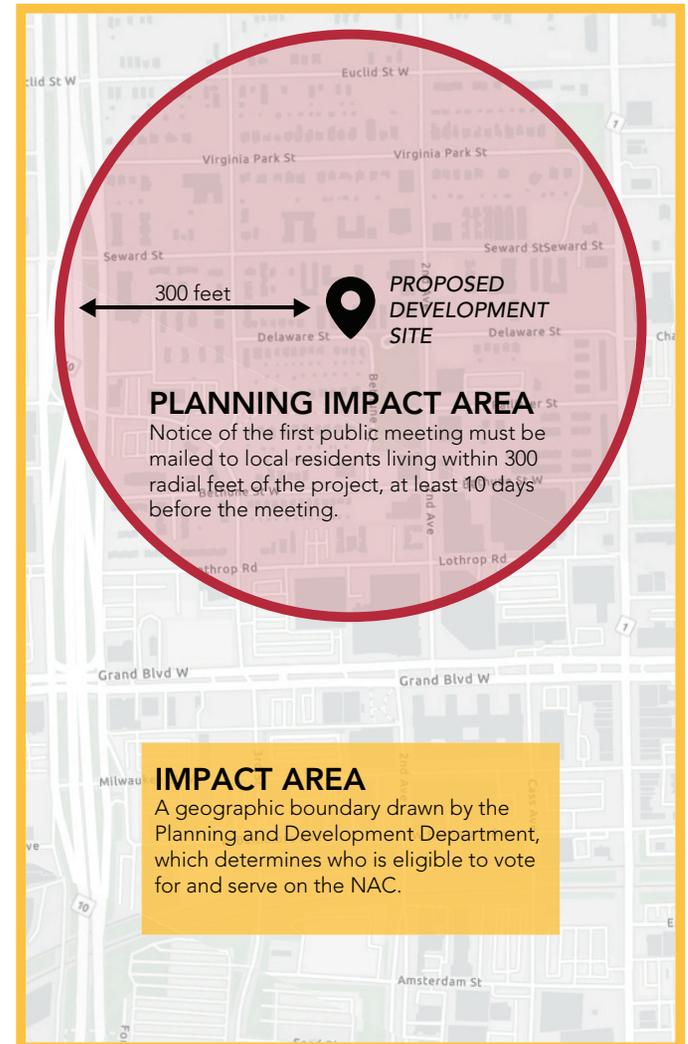
CRIO monitors the developer's compliance with the development agreement and produces biannual compliance reports. PDD also hosts an annual public meeting on compliance in conjunction with the developer, the NAC chair, and pertinent City departments.

# STAGE 1: ATTEND THE FIRST PUBLIC MEETING

When a development project triggers the CBO (by costing more than \$75 million, and receiving more than \$1 million in tax abatements or discounted City land), before the process begins, the City Planning Director defines the project's "Impact Area." The Impact Area is a geographical boundary drawn by the Planning and Development Department that determines who is eligible to vote for and serve on the Neighborhood Advisory Council (NAC). Only residents living within the Impact Area can serve on the NAC. The Impact Area must at least include the census tract or census block groups in which the project is located - and is usually drawn to encompass a larger area than that.

Before the project can submit requests to City Council for approval of tax abatements or land transfers, PDD must hold at least one public meeting in the Impact Area. While only one meeting is currently required by the ordinance, most projects will find that more meetings are necessary to complete the Community Benefits Report. It is the standard practice of PDD to hold five meetings, unless determined unnecessary by PDD and the NAC.

The Planning and Development department then announces the first public meeting and provides notice to local residents about the meeting's time and location. This notice must be mailed to local residents at least 10 days before the meeting. The current ordinance requires that a notice is mailed to residents living within 300 radial feet of the project's location, although PDD's current standard practice is to mail the notice to all residents living within the Impact Area. The meeting notice must also include general information about the project, a description of the Impact Area, and description of potential impacts of the project as well as possible mitigation strategies.



# WHAT TO EXPECT AT THE PUBLIC MEETING

At the first public meeting, PDD presents a general description of the project, including why it triggers the CBO and possible ways it will impact the local community.

This first public meeting is not the first meeting of the NAC - those will come after the NAC is elected / appointed. However, PDD will usually ask for nominations to the NAC at this first public meeting. Only residents residing in the Impact Area can make nominations.

## **TIP: THE CITY COUNCIL LIAISON**

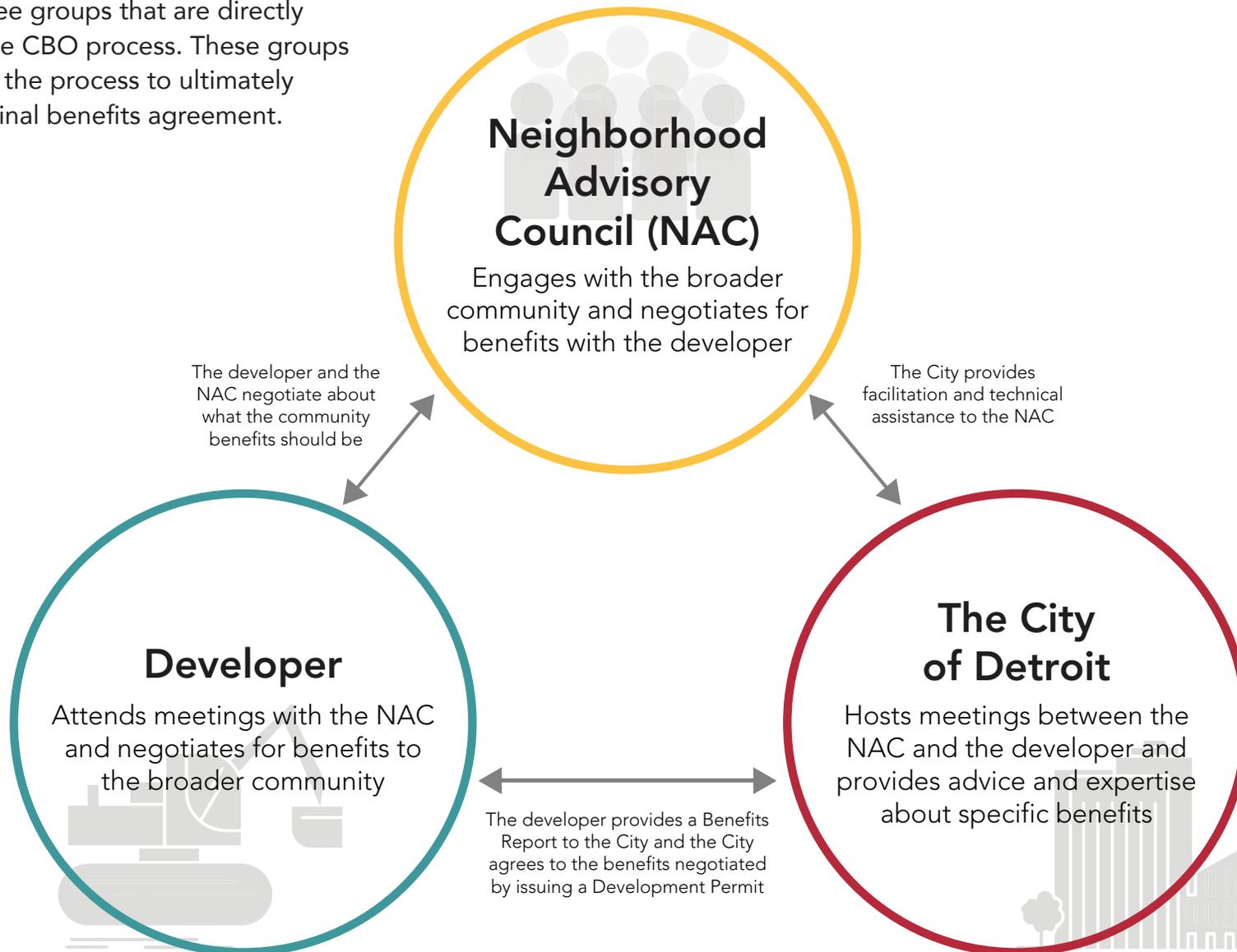
City Council is required to appoint a legislative liaison to each CBO project, whose job it is to provide updates to City Council during the CBO process. The first public meeting is a good time for residents to ask who the project's legislative liaison will be. This liaison can be helpful in the NAC nominating process and in relaying any important information to Council that emerges later in the process.

## **TIP: NON-PHYSICAL IMPACTS**

City officials will likely describe potential impacts that are physical in nature, and often directly related to the construction of the project or its effect on traffic/parking. While these are important, residents should also ask questions about non-physical impacts such as how the project will affect housing prices, rents, or cultural preservation.

# GROUPS THAT ARE DIRECTLY INVOLVED

There are three groups that are directly involved in the CBO process. These groups participate in the process to ultimately develop the final benefits agreement.



# OTHER PEOPLE THE NAC SHOULD BE AWARE OF



## **Broader Community**

NACs should strive to engage the broader community and other residents of the Impact Area to determine what benefits would be most beneficial to the community as a whole. For tips on how to engage the broader community see Section 5: Engagement Strategies.



## **Detroit Economic Growth Corporation**

The Detroit Economic Growth Corporation (DEGC) is a quasi-governmental agency responsible for brokering deals between the City and developers to determine what incentives will be given to developers.



## **Detroit City Council**

City Council is responsible for selecting a total of three NAC members. Additionally, City Council appoints a liaison from Legislative Policy Division or City Planning Commission staff, who monitors the NAC community engagement process and provides updates to the City Council. Lastly, City Council is involved in approving the final agreement.



## **Various City of Detroit Departments**

**Planning and Development** plays a key role in the CBA process not limited to arranging the negotiations between NACs and developers. For example, they determine the Impact Area for the project and write the final report

**Housing and Revitalization** may be engaged in any project with a residential component or negotiating benefits related to affordable housing

**Parks and Recreation** may be engaged in any project negotiating benefits related to greenspace

**Municipal Parking Department** may be engaged in any project negotiating benefits related to parking

This is not an exhaustive list of city departments, for a full list see Section 6: Helpful Resources.

### **TIP: HELPFUL RESOURCES**

Additional information about each of these groups and ways to reach them is described in Section 6: Helpful Resources.

# STAGE 2: ESTABLISH THE NAC

At the first public meeting, PDD will ask for nominations to the NAC. Nominations can only be submitted by residents living within the Impact Area. In order to serve on the NAC, an individual must reside in the Impact Area and be at least 18 years of age.

Usually at the second public meeting, PDD will facilitate a process to establish the NAC. All of the NAC nominees are allowed to speak briefly about their qualifications and why they feel they would be a good NAC representative. Afterwards, Impact Area residents vote for two nominees they'd like to see serve on the NAC. After the votes are cast, PDD will count the votes and the two nominees with the most votes get to serve.

Potential NAC members should be aware that the CBO process is a considerable time commitment from members. There will be several meetings with the developer, in addition to meeting with other NAC members and members of the community. Lastly, there are annual meetings held after the project is completed.

## **TIP: HOW TO POSITION YOURSELF TO GET ON THE NAC**

If you are interested in serving on the NAC, it is a good idea to talk to your neighbors and encourage them to attend the public meeting. It also is a good idea to contact your City Councilperson, as well as the two at-large Council Members to inform them of your interest.

## **TIP: MEET WITH YOUR NEIGHBORS BEFORE THE NAC ELECTION**

In order to make sure community interests are represented, neighbors can host a community meeting before the CBO-related public meeting. Residents who are interested in being nominated (or who are already nominated) can present their qualifications in greater detail. It is a good idea for residents to strategize beforehand about which neighbors they will vote for.

# APPOINTED NAC MEMBERS

After the two NAC members are elected by the community, City Council and PDD will appoint the remaining seven NAC seats. Importantly, these appointees must come from the resident-nominated list of candidates. This is true unless there are less than nine nominations from Impact Area residents. In which case, PDD may seek additional nominations from outside the Impact Area, but still within the City Council District where the project is located.

Sometimes, PDD will appoint its four NAC members based on the four nominees who received the next highest number of votes during the community election, but not always. Often these City Council and PDD appointees will come from the list of candidates nominated during the first public meeting, but sometimes come from nominations made outside of that first meeting.

## COMPOSITION OF THE NAC



### TIP: ADDITIONAL NOMINEES

Before voting on the community elected NAC members, Impact Area residents can ask PDD if it received any additional nominees since the first public meeting, or if there are any additional nominees otherwise not present.

# TIPS FOR RUNNING YOUR NAC

In the past, NACs have included many viewpoints that have helped communities win creative and needed benefits. However, sometimes NAC members have different expectations from one another, which can create misunderstandings and disappointment in the direction negotiations are taking. Several NACs have found it useful to begin the process by defining some terms for the group from the start. These might include rules of order for meetings, establishing a set of shared values, or expectations for attendance, among many other aspects of the process. This page provides some insight as to what types of ground rules are helpful to set from the very beginning.

## MEETING AGREEMENTS

It is a good idea for any decision-making body to have a document for how members will conduct themselves. A common code of conduct could include:

- » Values and assumptions that NAC members are bringing to the table
- » An agreement to attend meetings and a process for notifying others if you can't attend
- » A process for decision-making, taking minutes, and rules of order
- » An agreement on how to contribute questions/ comments in good faith, but also to allow others to talk
- » Ways of acknowledging potential conflicts of interest

### TIP: ELECTING ALTERNATES

Previous NACs have found that sometimes members have difficulty meeting their attendance commitments. Though there currently isn't a process for choosing alternates, NACs may want to talk to PDD about identifying back-up NAC members in the event that someone can no longer participate in meetings.

# MEETING AGREEMENTS

A meeting agreement document can help establish shared expectations for NAC members and help make meetings more productive. This is a sample meeting agreement and should be amended to suit each individual NAC.



## **We agree...**

- » To make an effort to attend all NAC meetings. If I can't make a meeting, I will let fellow NAC members know ahead of time
- » To arrive on time to meetings, and once there, actively participate and avoid distractions
- » To listen to all comments from all NAC members:
  - More talkative members will make an effort to let others to speak
  - Quieter members will make an effort to speak up more often
- » To make our comments about the issue at hand, not about other NAC members
- » To have only one person speak at a time. If I want to speak, I will raise my hand and wait my turn
- » To explain comments fully and to take time to define important words
- » To make group decisions through consensus when possible; when agreement can't be reached, we will use majority voting
- » To identify next steps at each meeting through consensus and majority voting
- » To elect a NAC chairperson, who will facilitate our meetings
- » To appoint a note taker for each meeting, who can recap any action items at the end of the meeting. For any action items assigned to me, I will report on the item's progress at the next meeting
- » To disclose any conflicts of interest or connection to the developer to fellow NAC members
- » To make an effort to not just represent our own opinions, but those of our Impact Area neighbors as well

# STAGE 3: VOICE COMMUNITY CONCERNS

Once the NAC is established, it then meets with the developer at least once, though CBO processes often entail more meetings. These meetings are facilitated by PDD and are intended to provide NAC members with more detailed information about the project. The NAC will then express community concerns, beginning a back-and-forth relationship between the developer and the NAC. As the NAC engages with the developer, the end goal is to generate a list of community concerns and requests which the developer will respond to, in turn. This list of requests and developer responses are incorporated into the Community Benefits Report at the end of the CBO process.

## **What is a Community Concern?**

The NAC can raise concerns that are both physical and non-physical in nature. They can also raise concerns that are directly related to the specific project site, or concerns that are present elsewhere in the Impact Area. Some examples of benefits negotiated from previous CBO projects can be found in Section 4: Past Benefits.

NACs may want to consult data about their neighborhoods in order to better understand their neighborhoods. Data around home values, vacancy rates, population trends, or traffic counts might be particularly helpful. More information about how to obtain such data can be found in Section 6: Helpful Resources.

In order to better understand the concerns of the Impacted community, NACs should consider engaging their neighbors using a variety of methods. Some examples might include hosting additional public meetings and conducting surveys. More information about community engagement techniques can be found in Section 5: Engagement Strategies.

# NACS & ADDITIONAL INFORMATION

Throughout the course of meeting with the developer, the NAC can request more information and documents associated with the project. NACs should also be aware of overlapping policies and pre-existing agreements, and can ask for copies if applicable. More information about these overlapping policies and pre-existing agreements can be found in Section 2: Relevant Policy. Some sample documents that the NAC might ask for include:

Note: Some documents may not be publicly available or possible to share with the NAC due to confidential information.



# STAGE 4: COMMUNITY BENEFITS REPORT

Once the developer has responded to the NAC's list of concerns, PDD compiles those responses and incorporates them into a Community Benefits Report.

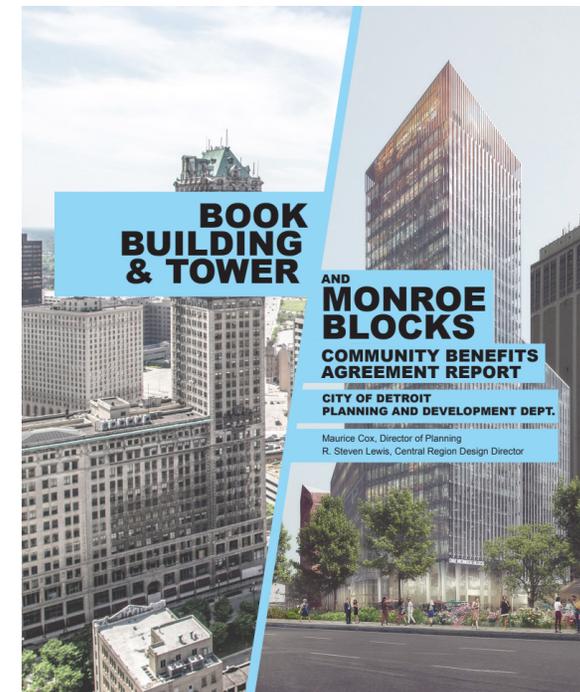
Once prepared, the Community Benefits Report is given to the NAC so that they may review it. The Community Benefits Report is required to have:

- » A detailed account of how notice was given for the public meeting
- » A list of NAC members and how they were selected
- » An itemized list of concerns raised by the NAC
- » A method for addressing each concern raised by the NAC, or explanation of why the concern will not be addressed

Members of the NAC may also be asked to sign the Report before submission to City Council. It is important to note that this is a request for endorsement, not permission to send to City Council.

Once submitted, City Council takes the Community Benefits Report into account as they gauge whether to approve the project and/or approve any tax abatements or land transfers. City Council then enters into a binding agreement with the developer.

*Right: Community Benefits Agreement Report for Book Building and Tower, and Monroe Blocks*



# INFORMATION INCLUDED IN A BENEFITS REPORT

**INTRODUCTION & COMMUNITY BENEFITS ORDINANCE**

Summary of development project and the Detroit CBO and NAC process

**PUBLIC NOTICE**

Description of Impact Area determined by the Planning and Development Department and a record of the public notice that was distributed to residents within the area

**NAC, DEVELOPER & CITY OFFICIALS**

Names of all the parties involved in the process

**MEETINGS**

Record and summary of discussions that took place at all the meetings, including questions raised by the community present

**NAC IMPACTS & COMMUNITY BENEFITS**

Summary of proposed community benefits organized by topic and recommended action steps

**DEVELOPER'S RESPONSE TO NAC IMPACTS / COMMUNITY BENEFITS**

Summary of developer's response to each of the community benefits proposed

# STAGE 5: CHECK-IN & ENFORCEMENT

After the Community Benefits Report is submitted, the developer and City enter into a development agreement, which includes any community benefit provisions agreed to. The NAC is advisory only, so any community benefits included in the Community Benefits Report are not finalized until sanctioned by City Council and included in the executed development agreement.

This development agreement must include enforcement mechanisms that stipulate what happens if the developer fails to provide the community benefits that were agreed to. Enforcement mechanisms can include clawback provisions that result in the City taking back the land or other penalties and fees.

## The CBO and Voluntary Agreements

A development agreement between the City and developer does not prevent the developer from voluntarily entering into a separate community benefits agreement with the community, like the ones described in Section 5: Past Benefits.

After the development agreement is signed by the developer and the City, an Enforcement Committee is formed. The Enforcement Committee is charged with monitoring the implementation of the project and whether the developer is following through on their commitments. At minimum, the Enforcement Committee must include:

- » Designee from Corporation Counsel for the City of Detroit
- » Representative of PDD
- » Representative of City Law Department
- » Representative from the **Department of Civil Rights, Inclusion, and Opportunity (CRIO)**
- » While not required, the Enforcement Committee can also include a representative from the NAC

### **DEPARTMENT OF CIVIL RIGHTS, INCLUSION, AND OPPORTUNITY (CRIO):**

The department monitors and reports on the CBO process. It is CRIO's responsibility to ensure that developers follow through on their agreed upon commitments.

# CRIO COMPLIANCE REPORTS

The Enforcement Committee must produce biannual compliance reports and submit them to City Council and the NAC. These reports are often written by and made available through CRIO. In addition to these regular compliance reports, PDD is required to host at least one annual meeting between the NAC and developer two years after the agreement is made to discuss the status of the community benefit provisions.

**CRIO Reports use color coded dots as indicators for reviewing the status of benefits commitments made by developers.**

-  On track - Actions taken towards satisfying commitment
-  Off track - Commitment not fulfilled
-  Off track - Compliance plan submitted
-  Commitment impacted by COVID-19
-  Not started - No action taken
-  Additional information requested

**“Completed”** indicates the commitment is fulfilled

*\*As of 2021*

# WHAT HAPPENS IF THE NAC REPORTS A VIOLATION?

If the NAC believes the developer is not complying with the agreed-to community benefit provisions, it can report the violation to the Enforcement Committee, who will investigate the allegation. The Enforcement Committee must submit the findings of its investigation within 21 days (unless it reports that it needs more time to City Council and the NAC).

If the NAC disagrees with the Enforcement Committee's findings, or if it feels the Enforcement Committee is not diligently pursuing enforcement mechanisms, the NAC can send notice to the Enforcement Committee, who must respond within 14 days.

If the NAC is not satisfied with the Enforcement Committee's response, it may petition the City Clerk and City Council to schedule a hearing. City Council will review the matter and require action as necessary.

# HOW THE NAC CAN REMAIN INVOLVED AFTER THE AGREEMENT IS MADE

- » Continuing to go to meetings
- » Check CRIO's status reports against NAC observations
- » Partner with PDD in coordinating the annual meeting
- » Ask the City to keep you informed of project status and necessary approvals, including any pertinent public hearings

## **TIP: ADVOCACY AFTER THE AGREEMENT**

NACs have noted that sometimes the responsibilities of NAC members do not end with the approval of the agreement. NAC members may choose to stay involved with the process beyond the required biannual reporting and required update meetings, and attempt to hold developers and the City accountable by attending City Council or Planning and Development Department meetings. NAC members in the past have noted that, as the Ordinance evolves and is amended, it is important to establish a track record of continued NAC engagement and vigilance.

# HEARING FROM NAC MEMBERS

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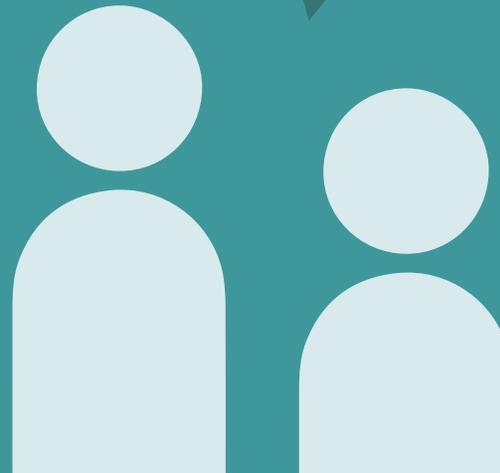
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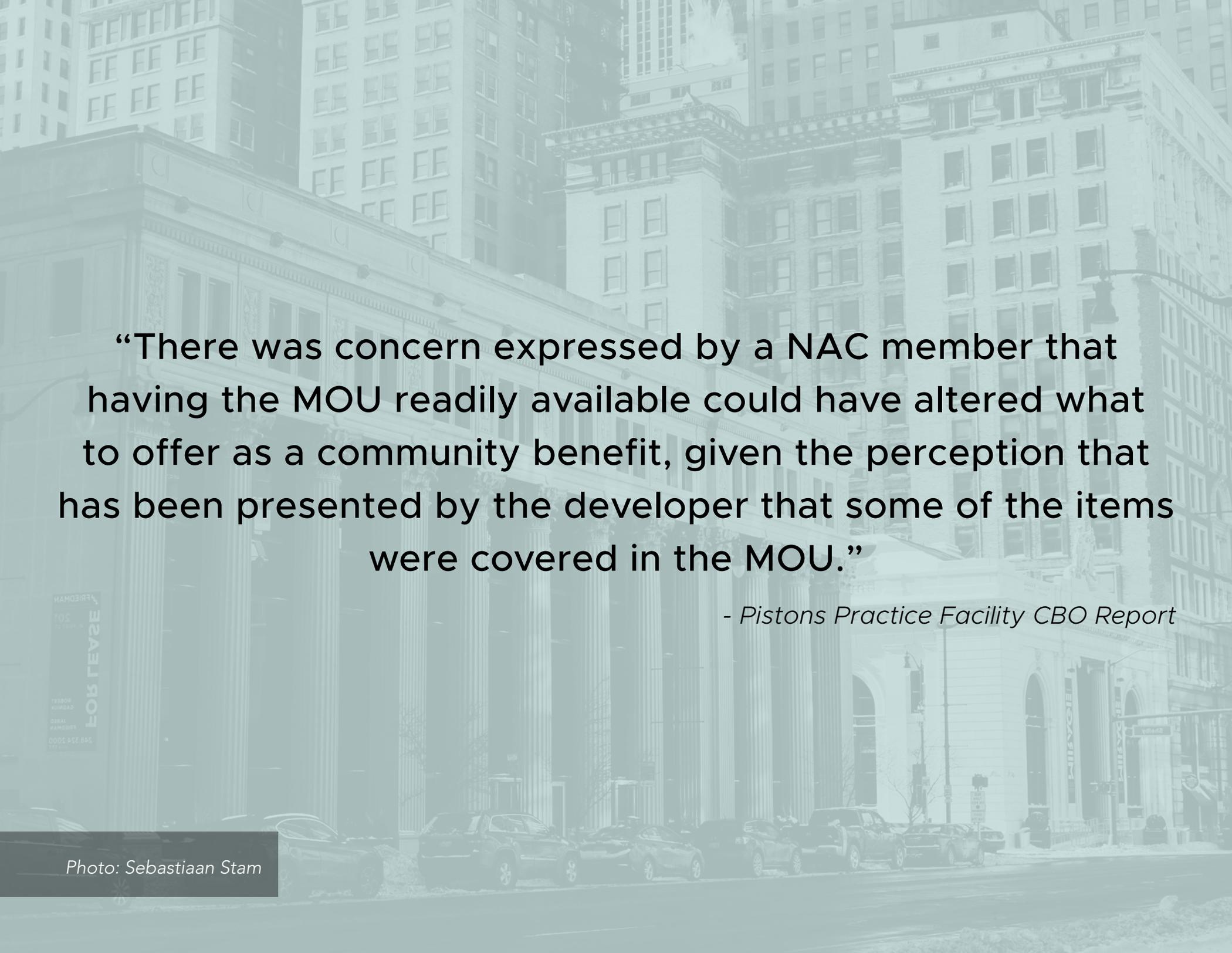
“If members of a NAC are paying attention, there’s always the opportunity for a NAC to say ‘this is off track as far as we’re concerned, Enforcement Committee, step in’. It’s not just on the city. It’s on the NACs to pay attention. Members of the NAC should reach out to CRIO and say ‘I’m on the NAC for x, please email me directly your annual report for this particular project’. It keeps people on their toes that people are looking, are paying attention. Then, if you get it and you’ve got questions, you check in with their staff to get an answer...CRIO knows that there are multiple members of the Train Station NAC that will want a copy of that report the minute it comes out, and everybody gets it.”

*- NAC Member for Michigan Central Station*

So when we agreed to be NAC members, it wasn’t just to get to the goal sign. We’re all committed to four or five years of you know, follow up and continuing and monitoring and you know receiving reports, responding to those reports, making sure that the things that were agreed to are adhered to, compliance issues, all of that. This is a long term commitment and everybody was in.

*- NAC Member for Book Tower and Monroe Blocks*





“There was concern expressed by a NAC member that having the MOU readily available could have altered what to offer as a community benefit, given the perception that has been presented by the developer that some of the items were covered in the MOU.”

*- Pistons Practice Facility CBO Report*



SECTION 2  
**RELEVANT  
POLICY**

# PRE-EXISTING AGREEMENTS

In order to ensure that NAC members are negotiating from an informed position, it is important for them to be aware of the **development agreement** and other types of documents between the City and the developer that might already be in place.

These various agreements may dictate how certain parts of the development must be carried out, and may even include ways that the project must benefit local communities. In the past, NACs have sometimes uncovered unexpected agreements related to the development that would have been useful for them to know about when they assembled their initial list of requests. By knowing what parts of a development are likely not negotiable, NAC members can strategically organize their requests, and efficiently negotiate benefits.

At the very start of negotiations, NAC members should insist that they are presented with all relevant agreements so that they can know the lay of the land from the beginning. Some of the possible types of agreements that may come up are described in the following pages.

## **DEVELOPMENT AGREEMENT:**

A contract between a local jurisdiction and a person who owns or controls property within the jurisdiction, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property.

# REQUESTS FOR PROPOSALS (RFP)

When the City owns a vacant property that it would like to redevelop, it may put out a request for proposals (RFP) from developers to begin a bidding process for who will be awarded the development rights to that property. When a developer wins the bidding process, they must follow through with the specifics listed in the RFP that they responded to. This means that there may be non-negotiable parts of a development that NAC members should be aware of that they may not be able to alter through the CBO process. So far, only two CBO projects have emerged from an RFP process: The Wigle/ Midtown West redevelopment, and the renovation of the Herman Kiefer Hospital.

RFPs may limit the discussions between the developer and the NAC as they determine aspects of the project like:

- » What uses can take place in a development
- » Requirements for public spaces
- » Requirements for the treatment/restoration of historic structures
- » The form of the building (e.g. height, number of units)

*Conceptual Rendering by PDH Development Group LLC*



Project: Herman Keifer

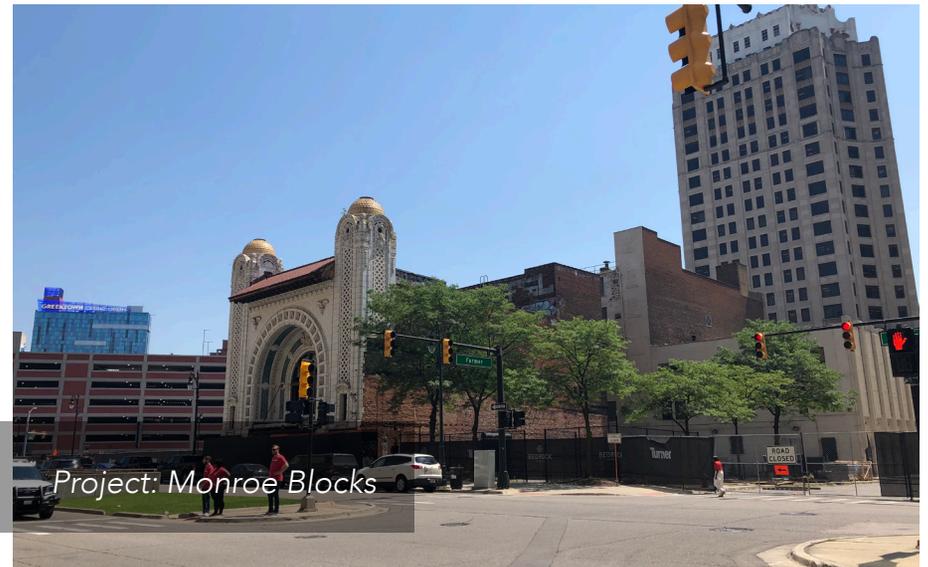


Project: Wigle

# BUNDLED PROJECTS

In cases when one developer is hoping to complete projects that are in the same general area, the city has allowed for several projects to be grouped into one CBO process: this is what we call 'bundling' of projects. Though not common, this is sometimes done to streamline the CBO process in the interest of time, and is also because of certain advantages bundling presents to the developer when it comes to applying for financial incentives. Bundling can present challenges for NAC members as it may require them to become familiar with a set of projects rather than one, and requires them to represent a larger group of local community members.

This has created challenges for NACs for two processes: Bedrock's Book Tower and Monroe Blocks as well as The Platform's Book Tower, Lot 1 and Cass and York developments (though the second group of projects will not be developed).



# EXEMPTION FROM THE INCLUSIONARY HOUSING ORDINANCE

In 2017, the City passed an Inclusionary Housing Ordinance (see page 38 for details and pages 88-90 for language from the Ordinance itself). However, this Ordinance does not apply to residential projects owned by Bedrock (so far, they have been responsible for three of the ten projects that have successfully completed the CBO process). Instead of being required to produce 20% affordable housing units in each project they develop as mandated by the Ordinance, a special agreement between Bedrock and the City allows them to uphold 20% affordability across their entire portfolio of properties. This is important for NAC members to know, as affordable housing is often a key concern for local communities and Bedrock is not required to produce affordable housing in the same configuration as other developers. However, NAC members may still negotiate for a certain (potentially more liberal) share of housing units in a development to remain affordable.

## MEMORANDUMS OF UNDERSTANDING AND OTHER AGREEMENTS

From time to time, there may be other agreements that the developer has negotiated with the City. NAC members should ask PDD if any other agreements are in place that affect the project.

### **TIP: ASK FOR AGREEMENTS**

In the past, NAC members have sometimes become aware of relevant agreements part way through the negotiation process. To be prepared to negotiate with all available information, NAC members should ask the City and the developer to disclose all agreements up front, at the very beginning of the process.

# POLICY OVERLAPS WITH AGREEMENTS

In order to make the most of limited meetings in the CBO process, it is important for NAC members to be aware of what types of existing policies are at work to protect communities from adverse effects of development and to promote economic development.

If NAC members are aware of these safeguards before they begin conversations with developers in the CBO process, they can save precious time and energy by not wasting it debating benefits that are already guaranteed to them. Knowledge of existing policies may prove to be quite valuable for NACs, as our studies have found that at least 20% of benefits that have been included in agreements are redundant with existing policies. To be sure requests aren't redundant with existing policies, NAC members should be aware of these ordinances, codes, and executive orders that have overlapped with CBO agreements in the past.

## TIP: ASK FOR HELP

As the NAC is considering which benefits they would like to request, they could consider talking to PDD, or the legislative policy liaison, to determine whether their requests are already covered by existing policies.

# 20%

of benefits are already mandated by existing polices

# HIRING EXECUTIVE ORDER



## WHO CAN HELP

Detroit at Work; The Mayor's Office; CRIO

In 2016, Mayor Duggan signed an executive order into affect that requires 51% of construction hours performed on a project to be done by Detroit residents. If this amount of hours is not met, then the developer must pay a fine that is then used by the City of Detroit for workforce training and readiness programs.

## WHAT SHOULD NACs KNOW?

Before including hiring requirements in requested benefits, NACs should consult this policy to be sure what they are asking for is not already covered. The progress that developers have made towards meeting the 51% requirement is tracked on CRIO's website



Photo: D4

# CONSTRUCTION SITE REGULATIONS

In order to ensure safety for workers and the public on and near a construction site, the Michigan Occupational Safety Hazards Administration (MIOSHA) mandates that certain measures must be taken. These include protections against construction related nuisances like noise disturbances, dust and debris, and lead and asbestos.

## WHAT SHOULD NACs KNOW?

If NAC members are concerned about the safety and accessibility of construction sites for the development, before proposing any requests for benefits that are related to construction nuisances, they should consult with MIOSHA to ensure that those protections are not already guaranteed through existing regulations.



# SIGNAGE & LIGHTING CODES

In order to prevent disruptive or unattractive lighting and signage on buildings, the City's Advertising and Signage Ordinance and other municipal codes regulate certain aspects of these features. This includes the size, location and construction of signage, as well as the intensity and location of lighting.

## WHAT SHOULD NACs KNOW?

Several NACs have been concerned about the ways that lights and signs from a new development might impact the appearance or feel of their neighborhood. When considering how to address these concerns through requests for benefits, NACs should consult the existing codes to gain an understanding of what limits are already placed on a developer.



# AIR, WATER, & SOIL QUALITY REGULATIONS

**WHO CAN HELP**  
Environmental Protection Agency (EPA); Department of Environment, Great Lakes and Energy (EGLE)

Both the federal Environmental Protection Agency (EPA) and Michigan’s Department of Environment, Great Lakes, and Energy (EGLE) monitor the impacts that construction processes and land uses on parts of the environment like air, water and soil to prevent dangerous human and environmental exposure to toxins.

## WHAT SHOULD NACs KNOW?

If a proposed development presents risks to the surrounding community because of hazards like lead and asbestos (common concerns for demolition and historic renovation) or industrial uses (like the air quality concerns brought forth during the Jefferson North Assembly Plant Expansion agreement), NAC members should be aware that existing policies are in place to regulate the safety of such sites. Also note that, in the case of the Jefferson North Assembly Plant Expansion, EGLE required additional air quality controls.

*Conceptual Rendering of Proposed FCA Expansion*



Photo: The Neighborhoods Channel

# ACCESSIBILITY REQUIREMENTS

Both the Americans with Disabilities Act (ADA) and municipal code require that certain measures are taken to ensure that buildings and public spaces remain accessible to people with all physical abilities. This includes requirements for accessible parking, signage and wayfinding, widths of sidewalks, and curb cuts. These accessibility considerations should also be made during construction, for example, through signage and accessible walkways.

## WHAT SHOULD NACs KNOW?

If NAC members are concerned that a project may not meet the accessibility needs of everyone in their community, they can consult existing mandates for accessibility and make requests based on what is not already guaranteed through those policies.



# INCLUSIONARY HOUSING ORDINANCE



## WHO CAN HELP

City of Detroit Housing and Revitalization Department

The City's Inclusionary Housing Ordinance requires new housing developments with more than 20 rental units, and that are receiving certain kinds of public subsidy, to ensure a portion of those units are affordable. The measure of affordability is tied to **area median income (AMI)** and the level of affordability depends on the type of public subsidy being received.

## WHAT SHOULD NACs KNOW?

NAC members should also know that the ordinance allows developers, with permission from City Council, to produce some or all of the required affordable units in a separate building. However, certain criteria and rules apply. For instance, in many cases, the substitute building must be within ¼ mile of the original building.

The following pages give more context to what area medium income (AMI) is and the types of public subsidy that trigger the ordinance.

### AREA MEDIAN INCOME:

The median family income for the Detroit-Warren-Livonia Metropolitan Statistical Area, as published by the U.S. Bureau of Census and the U.S. Department of Housing and Urban Development.

# EXPLAINING AREA MEDIUM INCOME (AMI)

Area median income (AMI) is the gauge by which the federal government measures affordability. All major metropolitan areas in the U.S. establish an AMI that represents the middle household income of that region; and then Affordable housing units are usually reserved for a family making a certain percentage of that AMI.

Income limits are calculated by household size. The example below is cited from the 2018 Inclusionary Housing Guidelines:

	Household Size							
Income Level	1	2	3	4	5	6	7	8
<b>50%</b>	\$28,400	\$24,850	\$31,950	\$35,450	\$38,300	\$41,150	\$44,000	\$46,800
<b>60%</b>	\$34,080	\$29,820	\$38,340	\$42,540	\$45,960	\$49,380	\$52,800	\$56,160
<b>80%</b>	\$45,440	\$39,760	\$51,120	\$56,720	\$61,280	\$65,840	\$70,400	\$74,880

For inclusionary housing units, the maximum affordable rent is calculated based on the number of bedrooms in the unit. The example below is cited from the 2018 Inclusionary Housing Guidelines:

	Bedrooms					
	0	1	2	3	4	5
<b>50% of AMI</b>	\$559	\$599	\$718	\$829	\$925	\$1,022
<b>60% of AMI</b>	\$671	\$718	\$862	\$995	\$1,111	\$1,226
<b>80% of AMI</b>	\$895	\$959	\$1,150	\$1,328	\$1,481	\$1,634

# *SUBSIDIES THAT TRIGGER THE INCLUSIONARY HOUSING ORDINANCE*

There are five types of public subsidy that trigger the ordinance:

<b>Subsidy Type</b>	<b>Definition</b>	<b>Affordability Required</b>
<b>Type 1</b>	The sale or transfer of City-owned property at less than the True Cash Value.	At least 20% of the rental units must be affordable to households earning 80% AMI.
<b>Type 2</b>	Direct monetary support from the City of at least \$500,000. Importantly, neither tax increment financing nor tax abatements are counted as “direct monetary support” under this category.	At least 20% of the rental units must be affordable to households earning 80% AMI.
<b>Type 3</b>	Commitment of City-controlled Community Development Block Grant Funds of at least \$500,000.	At least 20% of the total rental units must be affordable. Among the affordable units, at least 15% of the total rental units must be affordable to households earning 60% AMI. And at least 5% of the total rental units must be affordable to households earning 50% AMI.
<b>Type 4</b>	Commitment of City-controlled HOME funds of at least \$500,000.	At least 20% of the total rental units must be affordable. Among the affordable units, at least 15% of the total rental units must be affordable to households earning 60% AMI. And at least 5% of the total rental units must be affordable to households earning 50% AMI.
<b>Type 5</b>	Commitment of funds of at least \$500,000 through unidentified State of Michigan or Federal housing programs.	Must comply with the criteria set forth by the applicable State or Federal program.



“We believe we need to set a culture in Detroit,  
where if you take our money, and if we have to pay, we  
should have a say.”

*- Representative Rashida Tlaib*



SECTION 3  
**FINANCIAL  
INCENTIVES**

# WHAT ARE FINANCIAL INCENTIVES?

All CBO projects will receive some sort of public **subsidy** as it is one of the triggers of the CBO in the first place. While some projects may receive discounted land sales, most will receive varying degrees of tax abatements, tax credits, or other incentives.

It is important for NAC members to understand these subsidy programs because they can affect CBO negotiations in two ways: first, the timeline for negotiations can be affected because these subsidy programs often have their own required processes that will often occur simultaneously with the CBO negotiations. The varying timelines are seldom coordinated. Second, the amount of subsidy available to the developer will greatly affect the finances of the project, which in turn, will determine the type of community benefits that can be provided.

To assist NAC members in navigating the complicated landscape of public subsidy, this section will provide an overview of some of the most commonly used public subsidies in CBO projects.

## **Who is the DEGC?**

The Detroit Economic Growth Corporation (DEGC) is a quasi-governmental agency responsible for brokering deals between the City and developers to determine what incentives will be given to developers.

## **SUBSIDY:**

A benefit given to an individual, business, or institution, usually by the government. The subsidy is typically given to remove some type of burden, and it is often considered to be in the overall interest of the public, given to promote a social good or an economic policy.

# DEGC PROCESS FOR DETERMINING FINANCIAL INCENTIVES



## BUT-FOR UNDERWRITING

Project descriptions and budgets are evaluated to determine whether a development would be possible "but-for" the incentives a developer is applying for.

## ECONOMIC COST/BENEFIT MODEL

Underwriters use a financial model to determine what the greater fiscal impact of a project will be, including job creation and income taxes that will be captured. The underwriters also assess what the cost of the development is, considering items like incentives, or costs to the City due to burdens placed on roads or public infrastructure that may come about from more people or firms in the area. The benefits of the development are considered in light of the proposed investments made through incentives and other costs, and if the benefits outweigh the costs, the development passes this part of the test.

# TAX INCREMENT FINANCING

## BROWNFIELD TIF

The Brownfield Tax Increment Financing (TIF) incentive is used to reimburse developers for eligible expenses incurred while rehabilitating contaminated, functionally obsolete, or blighted properties. The listing of eligible properties and project costs is provided in a developer's Brownfield Plan. A developer must obtain local approval of its Brownfield Plan from the Detroit Brownfield Redevelopment Authority (DBRA) and Detroit City Council. After local approval, the Brownfield Plan is submitted to the MEDC and Michigan Strategic Fund for final approval.

Once approved, the DBRA operates by "capturing" the incremental tax revenue (those increased tax dollars generated by this development) and reimbursing the developer's approved eligible expenses. Brownfield TIF capture continues until the developer is reimbursed for all eligible expenses or 30 years, whichever comes first. Note that Brownfield TIFs do not trigger the CBO on their own, but are seen in many large scale projects.

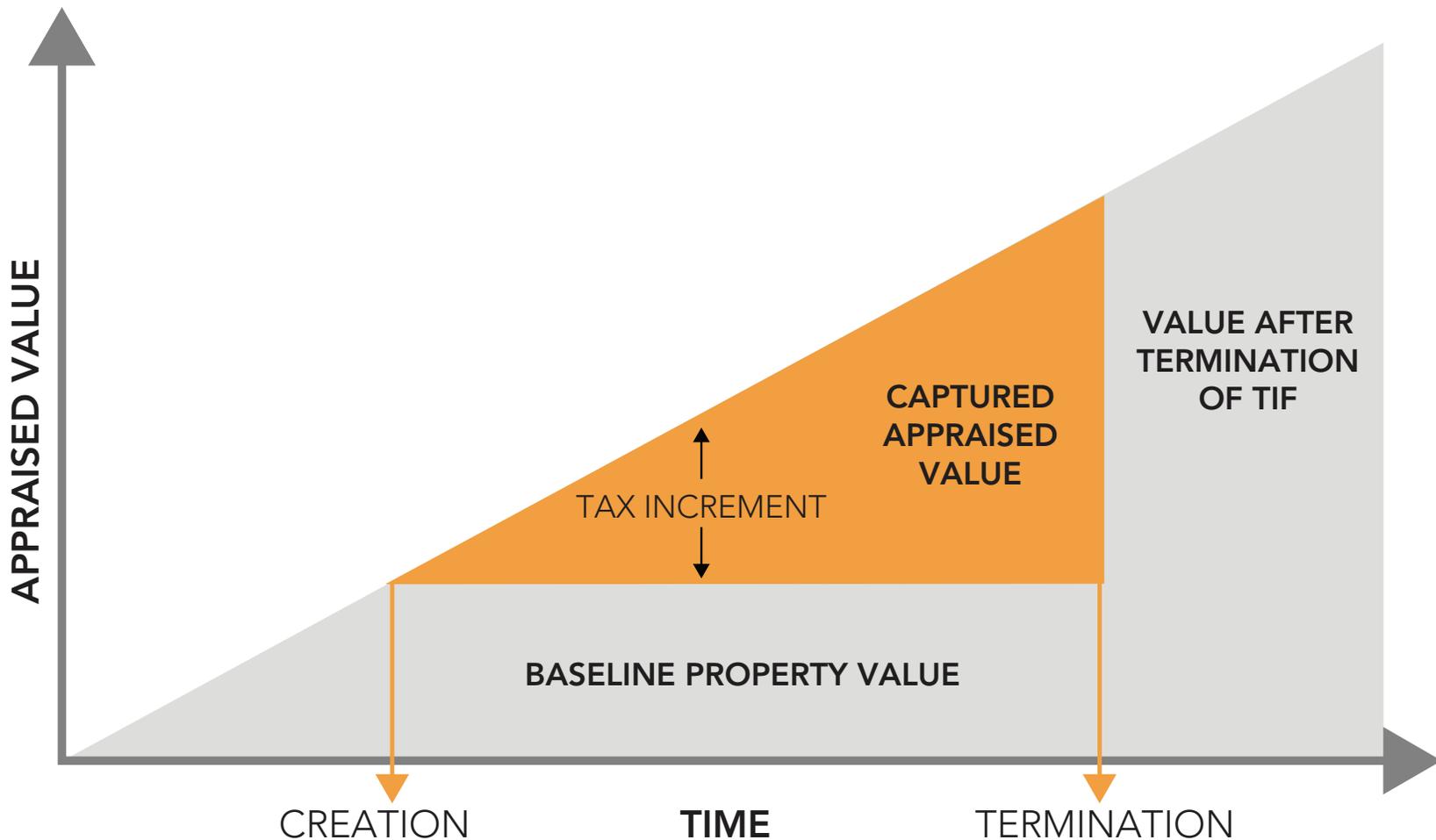
There are multiple opportunities for community input within the Brownfield TIF process. As noted, a Brownfield Plan must be approved by the DBRA and City Council. The DBRA Community Advisory Committee (DBRA-CAC) is a nine-member body of Detroit residents who are tasked with providing the community's advice and counsel to the DBRA Board before their vote of approval. DBRA-CAC meetings are open to the public and welcome public insight. After DBRA Board approval, the DBRA authority holds a public hearing for the proposed Brownfield Plan, offering the community a chance to engage. Afterwards, the Brownfield Plan goes to City Council for their approval, which affords another avenue for public input before the City Council vote.

### **TIP: THE DBRA COMMUNITY ADVISORY COMMITTEE**

If negotiating a CBO project with Brownfield TIF, NAC members can connect with DBRA-CAC members to share insights and compare notes. Additionally, NAC members may also attend public hearings to share further thoughts directly to approving bodies.

# HOW DOES TIF WORK?

This diagram illustrates how Tax Increment Financing “captures” the incremental tax revenue (those increased tax dollars generated by this development) which are then used to reimburse the developer for eligible expenses. Once the TIF is terminated, the municipality then collects the full value of the improved property.



# TAX CREDITS

Tax credits differ from tax abatements in that they reduce an investor's tax bill dollar for dollar, regardless of the tax rate. The investor's capital then helps the developer build his or her project.

## LOW INCOME HOUSING TAX CREDIT

The Low Income Housing Tax Credit (LIHTC) is an incentive that encourages the construction of rental housing affordable to low-income households. Developers apply to the Michigan State Housing Development Authority, which reviews applications in a competitive process. Winning applications are awarded the tax credits, which a developer then sells to an investor. The developer gets an immediate infusion of capital which can help build the project and the investor receives tax credit, which reduces his or her taxes over a ten year period. Once operating, LIHTC projects must remain affordable for at least 15 years, but can be extended for longer.

## NEW MARKET TAX CREDITS

New Market Tax Credits (NMTCs) are awarded through a competitive process to intermediaries, called "Community Development Entities (CDEs)". A CDE is a specially-designated financial institution certified to make financial investments in low-income communities. If awarded funds, the CDE then offers the tax credit to an investor that invests in the CDE. With the additional capital, the CDE can support the development of commercial real estate projects in low-income areas. It is important to note that these are federal programs and do not trigger the CBO.

# OTHER INCENTIVES

## AFFORDABLE HOUSING LEVERAGE FUND (AHLF)

The Affordable Housing Leverage fund is an “umbrella” fund that coordinates affordable housing money from three main sources: The City of Detroit, the Michigan State Housing Development Authority (MSHDA), and Detroit Local Initiatives Support Corporation (LISC). The fund is managed by Detroit LISC and is intended to help streamline affordable housing financing in Detroit.

## STRATEGIC NEIGHBORHOOD FUND (SNF)

The Strategic Neighborhood Fund (SNF) is a partnership between the City of Detroit, Invest Detroit, and various philanthropic and corporate donors that funds community-minded projects in certain targeted areas. Some examples of these projects include park improvements, streetscape improvements, and rehabilitating single-family homes.

# TAX ABATEMENTS

Tax abatements differ from tax credits in that they reduce the developer's taxable income.

## OBSOLETE PROPERTY REHABILITATION

The Obsolete Property Rehabilitation Act (OPRA) or Public Act 146 allows for tax exemptions to be given for commercial and residential properties. In order to receive an OPRA exemption, a property has to be deemed obsolete by the assessors office, and also has to be located in an established Obsolete Property Rehabilitation District. The exemption can last for up to 12 years. This incentive was applied to Michigan Central Station.

## NEIGHBORHOOD ENTERPRISE ZONE

The Neighborhood Enterprise Zone, or Public Act 147, is a property tax exemption that can apply to residential projects that are built in so-called "distressed" areas. This exemption can be used for both new construction (like The Mid) or for renovations to residential properties (like the Herman Kiefer Hospital). Note that NEZ funds do not trigger the CBO, but projects may still benefit from NEZ tax exemptions.

## INDUSTRIAL FACILITIES EXEMPTION



The Industrial Facilities Exemption, or Public Act 198 is a tax incentive that applies to manufacturers who are expanding or renovating existing facilities. The incentive is meant to assist in upgrading aging plants, building new plants, or installing higher-tech facilities. This incentive applied to the Jefferson North Assembly Plant Expansion.

## COMMERCIAL REHABILITATION



The Commercial Rehabilitation Act, or Public Act 210 provides a tax incentive for projects that convert obsolete commercial properties into either commercial or multi-family residential uses. This incentive has applied to the rehabilitation of Michigan Central Station as well as The Mid.

## RENAISSANCE ZONE



The Renaissance Zone program allows for tax incentives for developments in 18 key areas of the city where economic stability and development are being encouraged. Tax incentives can include waivers for income, utility, property, county, and/or state taxes. This incentive applied to Michigan Central Station.

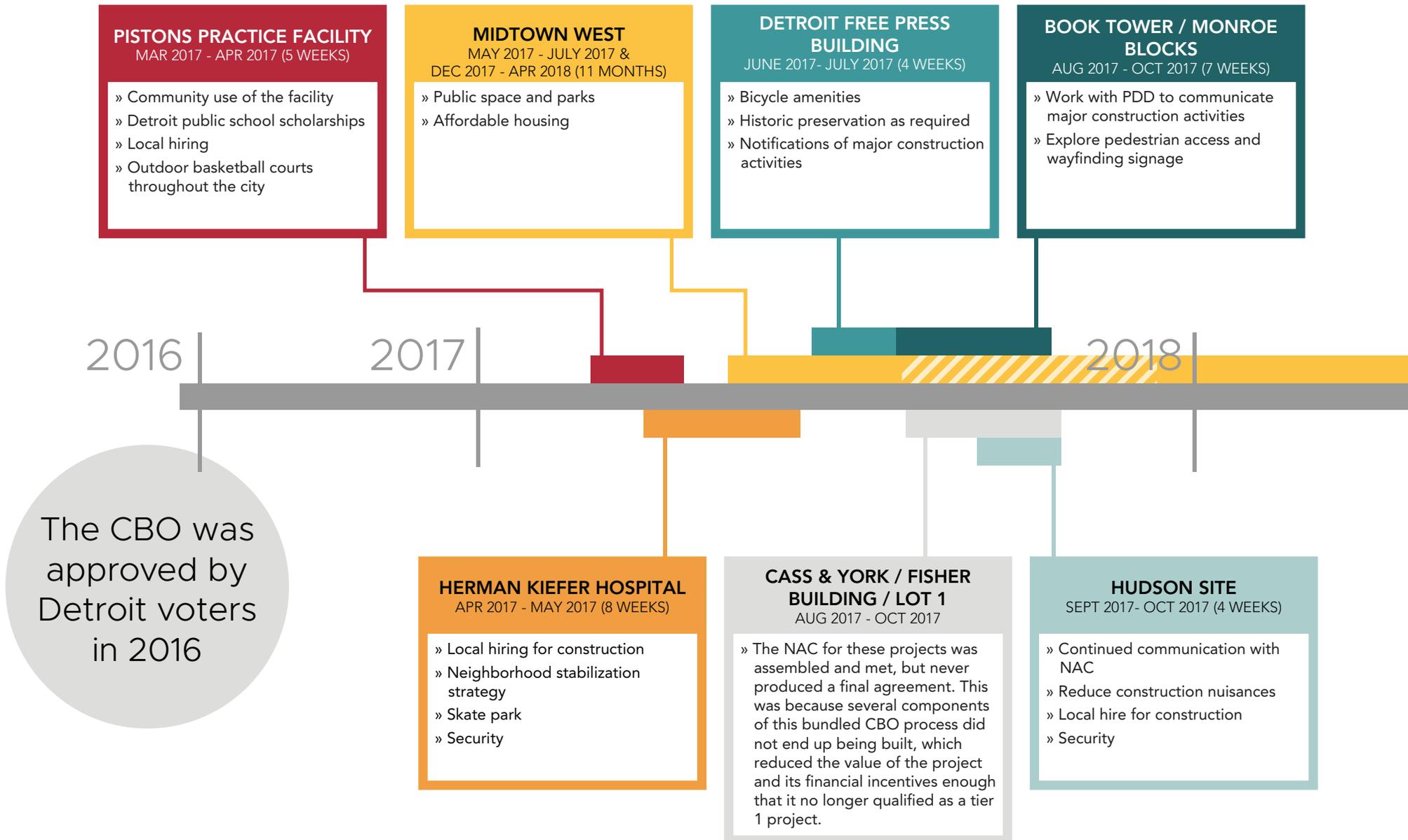
“Across the nation, grassroots ‘Davids’ are using community benefits agreements (CBAs) in order to negotiate with developer ‘Goliaths’ and gain a community voice at the negotiating table. In return for community support, developers are signing CBAs that include a variety of provisions such as affordable housing, living wage jobs, card check neutrality permitting organizing in new developments (e.g. at hotels, airports, and sports and entertainment districts), local hiring or first source hiring programs, on-site job training, parks, child care, youth centers, parking, environmental mitigation, neighborhood improvement funds, and revolving loan funds”

- *Jacqueline Leavitt, Professor of Urban Planning*



SECTION 4  
PAST  
BENEFITS

# TIMELINE OF DETROIT CBO PROJECTS



**LAFAYETTE WEST**  
 JULY 2018 - AUG 2018 (7 WEEKS)

- » Reduce construction and demolition nuisances
- » Parks
- » Parking management
- » Security



**JEFFERSON NORTH ASSEMBLY PLANT**  
 MAR 2019- APR 2019

- » Workforce development
- » Tech education for youth
- » Home repair/beautification



2019

2020

**MICHIGAN CENTRAL STATION**  
 JULY 2018 - AUG 2018 (10 WEEKS)

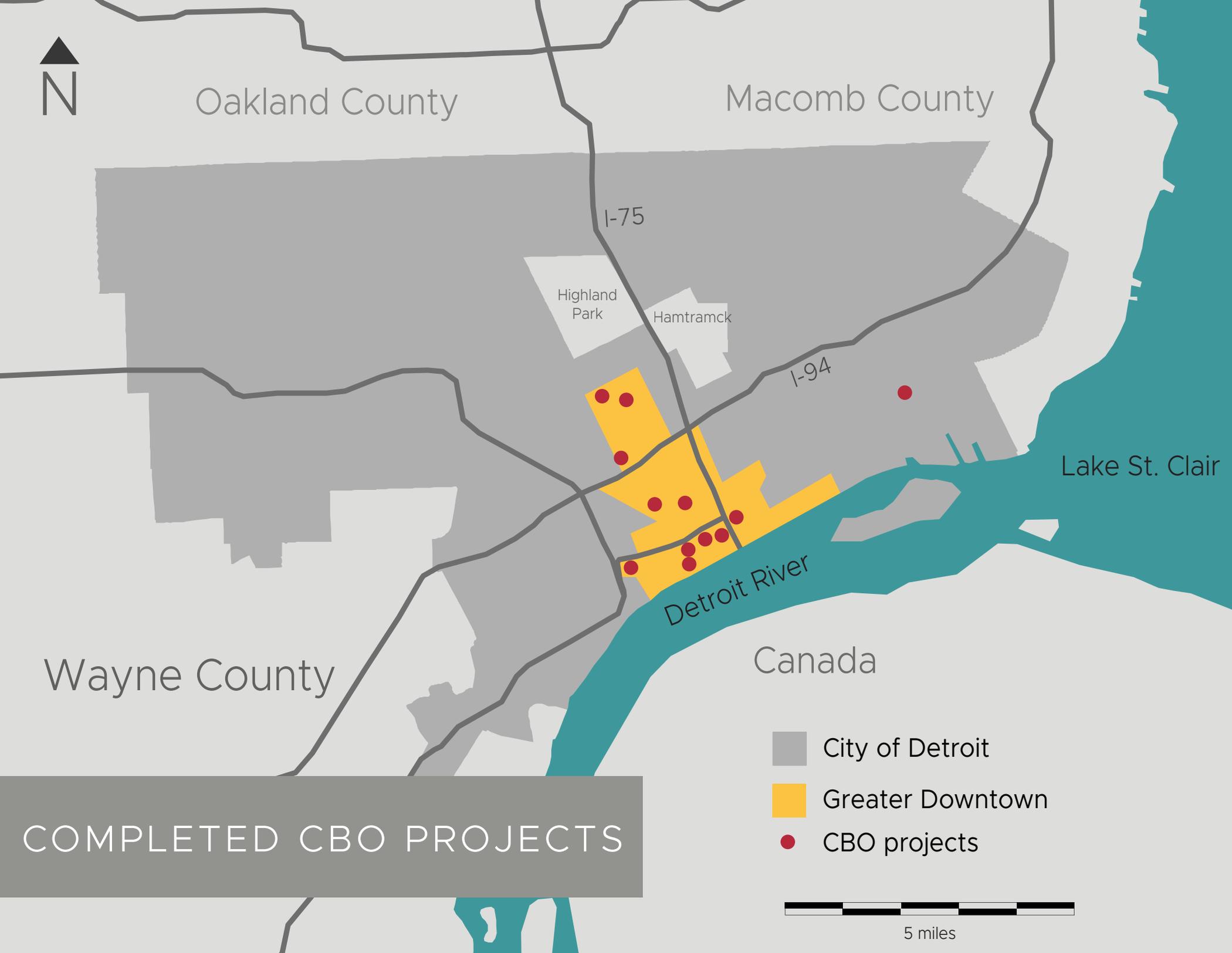
- » Affordable housing
- » Community development fund
- » Local hiring for construction
- » Streetscape improvements
- » Transportation infrastructure



**THE MID**  
 APR 2018 - JUNE 2018 (7 WEEKS)

- » Reduce construction nuisances
- » Detroit based commercial tenants
- » Public spaces





# TYPES OF BENEFITS NEGOTIATED IN DETROIT

Community benefits can and have addressed a wide variety of concerns brought by NAC members. While NAC members should feel free to creatively engage with the CBO process to develop out of the box solutions for neighborhood concerns that might be translated into the agreement, it is helpful to know what past NACs have focused on. About two thirds of the benefits won so far have fallen into the following six categories:

## PARKS & PUBLIC SPACE IMPROVEMENTS

- » Streetscape improvements
- » Community gathering places
- » Park landscaping
- » New parks
- » Dog parks
- » Sports facilities



## JOB & WORKFORCE DEVELOPMENT

- » Priority hiring for Detroiters
- » Funding city employment programs
- » Vocational scholarships
- » Sponsorship for hiring fairs
- » Youth career mentorship

## CONSTRUCTION MANAGEMENT

- » Protective fencing
- » Pest control
- » Security
- » Work hours
- » Board up vacant structures
- » Construction signage



## PUBLIC ENGAGEMENT

- » Consultation for future projects
- » Development updates
- » Alignment with neighborhood plans
- » Community events



## PARKING & PUBLIC TRANSPORTATION

- » Permitting systems
- » Additional parking
- » Bike shares
- » Collaboration with MDOT
- » Pedestrian/cycling infrastructure
- » Traffic control plans

## AFFORDABLE HOUSING

- » 20% affordable; 80% AMI
- » More liberal affordability
- » Accessible retail
- » Affordable Housing Leverage Fund



# EXAMPLES OF CBAs FROM ACROSS THE US

This map represents most of the active community benefits across the country, ranging in types of projects, and in actors who were involved in negotiating them. Unlike the CBO, these projects are all what are called private community benefits agreements, meaning that they were not required by policy or an ordinance. In this way, the outcomes of these agreements may differ from what has been achieved through the CBO, but these cases still provide useful examples of possible benefits to request.

## SAN FRANCISCO, CA

### **Bayview-Hunters Point:**

Neighborhood/Office park/Brownfield redevelopment

## OAKLAND, CA

**Oak to 9th:** Waterfront redevelopment

**Oakland Army Base:** Port/logistics cluster

## SAN JOSE, CA

**CIM Project:** Mixed-use development

## LOS ANGELES, CA

**Hollywood and Vine:** Mixed-use development

**Lorenzo Project:** Mixed-use development

**LAX:** Airport modernization

**NoHo Commons:** Mixed-use development

**Staples Center:** Sports stadium/entertainment district

**SunQuest:** Industrial park

## SAN DIEGO, CA

**Ballpark Village:** Sports stadium

## DENVER, CO

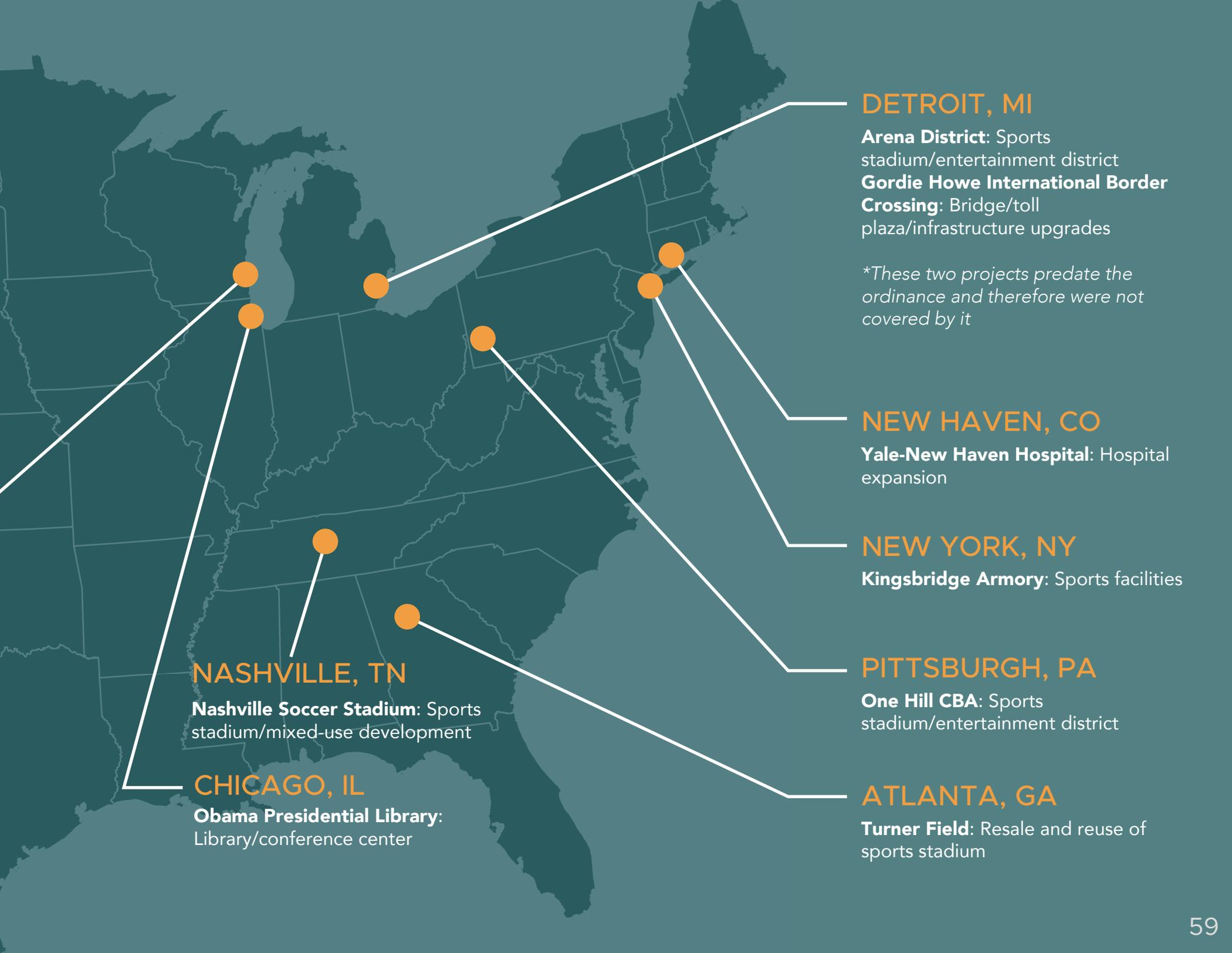
**Gates Rubber Plant:** Mixed-use, brownfield redevelopment

## MILWAUKEE, WI

**Milwaukee Bucks Stadium:** Sports stadium/entertainment district

## FOR MORE INFORMATION

Check out the Partnership for Working Families at: [www.forworkingfamilies.org](http://www.forworkingfamilies.org)



## DETROIT, MI

**Arena District:** Sports stadium/entertainment district  
**Gordie Howe International Border Crossing:** Bridge/toll plaza/infrastructure upgrades

*\*These two projects predate the ordinance and therefore were not covered by it*

## NEW HAVEN, CO

**Yale-New Haven Hospital:** Hospital expansion

## NEW YORK, NY

**Kingsbridge Armory:** Sports facilities

## PITTSBURGH, PA

**One Hill CBA:** Sports stadium/entertainment district

## ATLANTA, GA

**Turner Field:** Resale and reuse of sports stadium

## NASHVILLE, TN

**Nashville Soccer Stadium:** Sports stadium/mixed-use development

## CHICAGO, IL

**Obama Presidential Library:** Library/conference center

# EXAMPLES OF SUCCESSFUL BENEFITS

As NACs seek to negotiate community benefits for their communities, it can be helpful to know what type of benefits have been achieved in the past. Below are some examples of community benefits from Detroit and across the country.

## PUBLIC & COMMUNITY SPACE

There are examples where community benefit agreements have established commitments to public space enhancements and the creation of new community spaces.

### **HILL DISTRICT, PITTSBURGH, PA**

In the Hill District CBA, the One Hill Coalition negotiated for a partnership between the developer and the Pittsburgh YMCA that would support the creation of a Community Multi-Purpose Center that provides resources and amenities for neighborhood youth, seniors, and families.

### **PISTONS PRACTICE FACILITY, DETROIT, MI**

The CBO agreements for the Detroit Pistons' Practice Facility includes a commitment to restore 60 outdoor basketball courts throughout the city that have fallen into disrepair.



*Photo: Hannah Kang*

# TARGETED RETAIL AMENITIES

For projects that feature some sort of retail space, communities can negotiate for guarantees that the space will be filled with a targeted retail amenity that meets an important community need, like a grocery store.

Several CBO agreements have included benefits related to ensuring certain practices for the selection of retail tenants that will be beneficial to the local community. For example, the Michigan Central Station agreement supports the inclusion of small, locally owned businesses as tenants in the area, and conducts a retail analysis to ensure that businesses remain accessible to the local community. Similarly, the agreement for the redevelopment of the Herman Kiefer Hospital includes a good faith effort to attract and retain commercial tenants that are accessible to the local community. The Mid agreement includes a commitment to reserve 12,000 square feet of the project's 80,000 square feet of retail space to local and small businesses.

## **HILL DISTRICT, PITTSBURGH, PA**

The community-led One Hill Coalition negotiated with several governmental entities and the Pittsburgh Penguins to reach a CBA around the new Penguins stadium. Of the agreement's many accomplishments, it secured \$2 million for a new full-service grocery store, at least 25,000 sq. ft, to be built in the neighborhood. It was also agreed that the employees of that grocery store would come from the locally established jobs pipeline and hiring hall.

### **TIP: RETAIL TENANTS**

Sometimes the developer will express resistance to committing to a particular type of retail amenity. It may be possible for the developer to agree to make a "good faith effort" to attract a particular kind of retail tenant.

# AFFORDABLE HOUSING

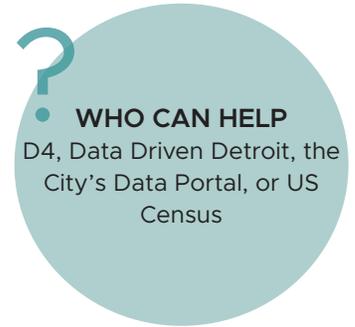
For projects that will feature residential units, reserving a portion of those units for low income and/or working class households can help stem future gentrification. In the Detroit-Warren-Dearborn metropolitan area, the AMI in 2018 was around \$58,600. However, Detroit's median household income in 2018 was around \$29,481. Therefore, for a project to be truly affordable for Detroit low-income families, D4 recommends reserving housing for families making 50% AMI or below.

## MIDTOWN WEST, DETROIT, MI

While the City's Inclusionary Housing Ordinance requires that 20% of new housing units constructed are affordable to residents making 80% of the area median income, some NACs have negotiated for more generous affordable housing requirements, or differently distributed affordability. In the case of Midtown West, NAC members built on the requirements of the existing ordinance by requesting more specific affordability as follows: 2.5% of units will be affordable to those making 80% or less AMI, 5% of units will be affordable to those making 60% or less AMI, and 2.5% of units will be affordable to those making 40% or less AMI.

## NASHVILLE SC STADIUM, NASHVILLE, TN

As Nashville built a new mixed-use stadium complex, a community coalition negotiated a multi-faceted CBA that among other things, negotiated that 20% of the housing units would be affordable for low-income and working class families. The CBA also guarantees that 20% of the affordable units will be 3-bedroom units, reflecting a citywide need for affordable housing suitable for families with children.



## TIP: EXPLAINING AMI

Area Median Income (AMI) is the gauge by which the federal government measures affordability. All major metropolitan areas in the U.S. establish an AMI that represents the middle household income of that region; and then Affordable housing units are usually reserved for a family making a certain percentage of that AMI. For example, Detroit's Inclusionary Housing ordinance stipulates that for certain projects, 20% of housing units need to be affordable for families whose income is 80% AMI or below.

# COMMUNITY FUND

There are also examples where community benefit agreements have established community-controlled funds that can be spent on various community expenses to be determined later.

## **STADIUM NEIGHBORHOODS FUND, ATLANTA, GA**

After an unsuccessful campaign to reach a CBA around a new stadium, residents worked with Atlanta City Council to establish the Stadium Neighborhoods Fund, funded by a portion of all public land sales near the stadium.

## **MICHIGAN CENTRAL STATION, DETROIT, MI**

As part of the agreement for the Michigan Central Station, Ford committed to providing \$2.5 million to the Strategic Neighborhood Fund. A portion of which, \$750,000, would be placed into an interest-bearing account and the annual interest to be allocated to the community through a community-led process.



# LOCAL HIRING & WORKFORCE DEVELOPMENT

For projects that will feature commercial property, there are a number of ways that communities can ensure that local residents are gaining access to those jobs, and/or being trained on how to fill them.

## **OAKLAND ARMY BASE, OAKLAND, CA**

Turning the former Oakland Army Base into a modern logistics and warehousing operation promised to bring more than 2,800 construction jobs and 2,000 permanent ones. Revive Oakland! negotiated a CBA that ensured prioritization of low-income workers, as well as single parents, veterans, ex-offenders previously convicted of a felony, people who had been unemployed for the previous 6 months, and other criteria. Furthermore, the employer agreed to exclusively review applicants referred by the local hiring hall for a five day period.

## **MILWAUKEE BUCKS ARENA, MILWAUKEE, WI**

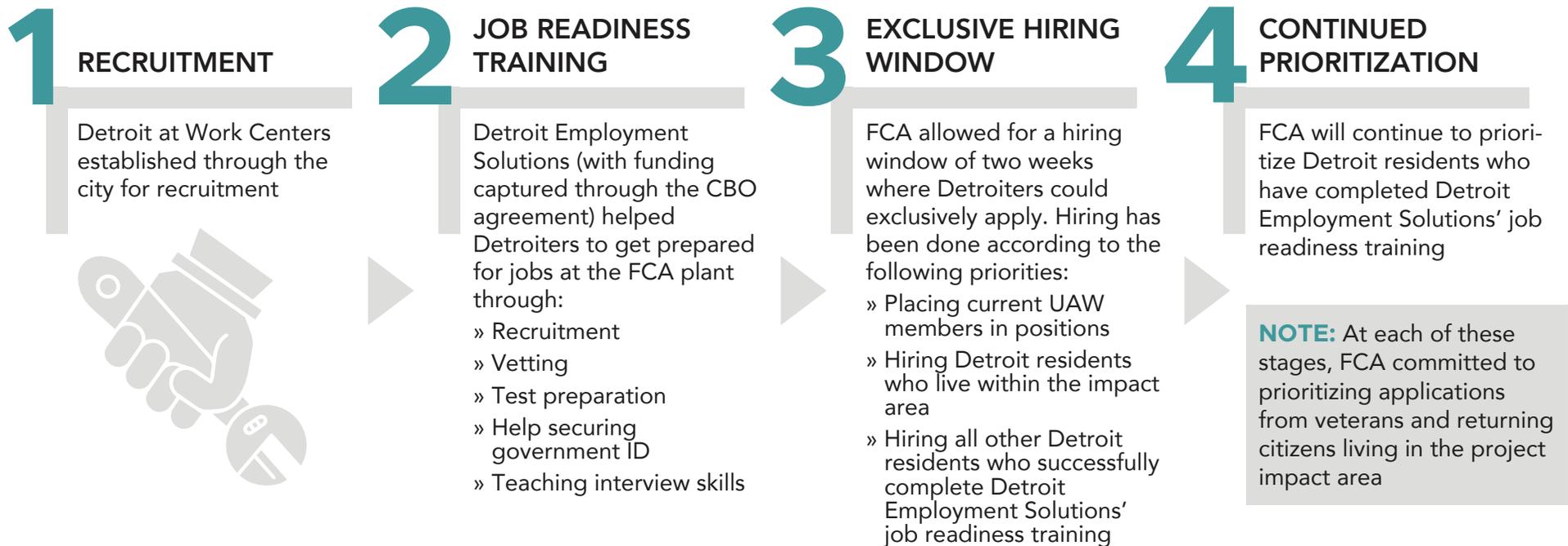
For the construction of the new NBA arena, the owners of the Milwaukee Bucks signed a CBA that guaranteed that 50% of the employees would come from targeted low-income neighborhoods within Milwaukee. The agreement also established a labor peace agreement, allowing employees to unionize. Employees were also given a wage floor, with an agreement that all employees will make at least \$15 per hour by 2023.

## **FORD HIRING HALL, DETROIT, MI**

As part of the Michigan Central Station CBA, Ford agreed to establish a local hiring hall that would serve as an entry point for Impact Area residents to apply for open positions (both tech-related and service-related) and be referred to job training resources.

## JEFFERSON NORTH ASSEMBLY PLANT, DETROIT, MI

The Jefferson North Assembly Plant Expansion is a stand out in terms of the sheer number of Detroiters who may potentially benefit from the commitment to local jobs and workforce development through the agreement. This development will result in 4,950 jobs, and Fiat-Chrysler has committed to contributing \$7.8 million to workforce development programs and outreach run by the State and Detroit at Work to prepare Detroiters for the interview process. However, Fiat-Chrysler is first and foremost committed to placing existing employees in these positions, making the net jobs that Detroiters have access to still unknown.

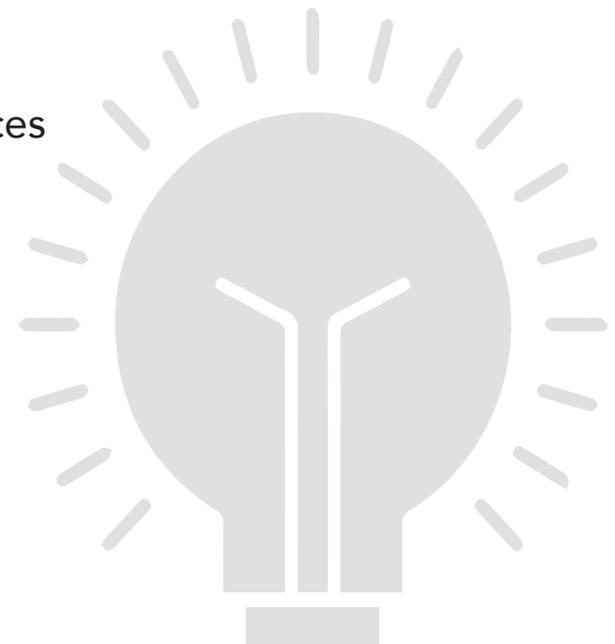


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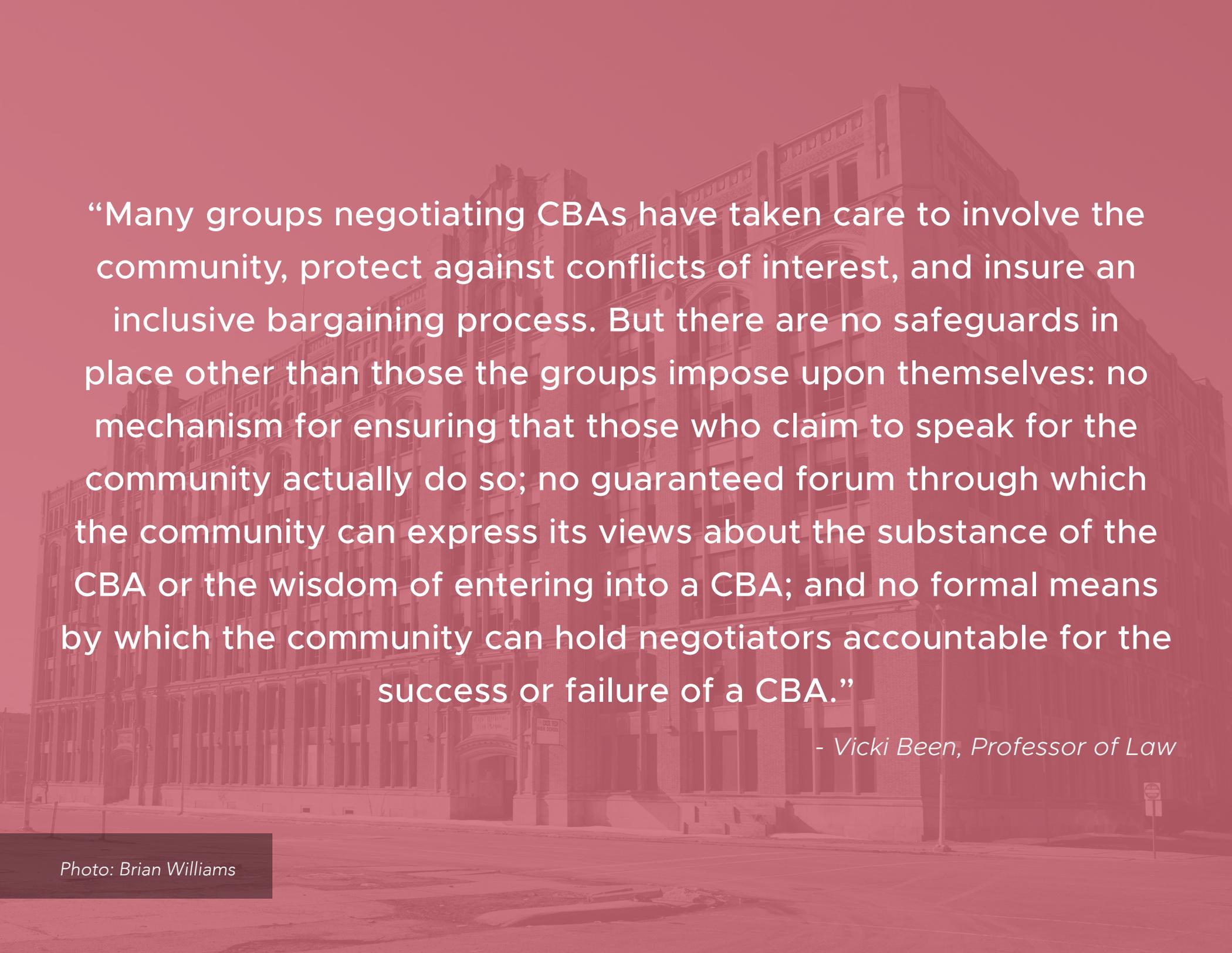
At each of these stages, FCA committed to accepting applications from and prioritize veterans and returning citizens living in the project impact area

# OTHER IDEAS FOR BENEFITS

- » Agreement to purchase goods and services locally
- » Assistance for displaced households
- » Ban of criminal background checks by employers
- » Blight removal
- » Career counseling
- » Childcare space
- » Commemorative markers acknowledging community history
- » Community access to athletic facilities
- » Community arts and cultural programming
- » Community fund
- » Community oversight committee for development
- » Community steering committee for future neighborhood development
- » Down payment assistance for housing
- » Environmental sustainability and mitigation
- » Exclusion of large retailers known for exploitative labor practices
- » Filling jobs with apprentices beginning their programs
- » Financial incentives for businesses hiring locally
- » Funding a gentrification study of the area
- » Funding a health impact study of the area
- » Green building
- » Grocery store



- » Hiring from high-unemployment neighborhoods
- » Health clinics and access to healthcare
- » Health insurance trust fund and access for employees
- » Home repair
- » Jobs and summer employment for youth
- » Long term hiring goals or plan
- » Neighborhood cleanup
- » Neighborhood infrastructure improvements
- » Parking
- » Permanent employees' right to unionize
- » Physical accessibility measures
- » Priority hiring for local residents
- » Prioritizing hard to hire demographics
- » Provide resources and programming to reduce driving
- » Reserved community or arts space
- » Retrofitting diesel engines that operate on site and banning idling
- » Scholarships
- » Seed money for job training for day laborers
- » Seed money for new affordable housing development
- » Senior centers
- » Soundproofing affected buildings and facilities
- » Support for public schools
- » Tax exemption for homeowners near project
- » Traffic control during events
- » Youth centers and programming



“Many groups negotiating CBAs have taken care to involve the community, protect against conflicts of interest, and insure an inclusive bargaining process. But there are no safeguards in place other than those the groups impose upon themselves: no mechanism for ensuring that those who claim to speak for the community actually do so; no guaranteed forum through which the community can express its views about the substance of the CBA or the wisdom of entering into a CBA; and no formal means by which the community can hold negotiators accountable for the success or failure of a CBA.”

- Vicki Been, Professor of Law



# SECTION 5

# ENGAGEMENT

# STRATEGIES

# WHY IS BROADER COMMUNITY ENGAGEMENT IMPORTANT?

While the CBO was put in place with the intention of giving Detroiters more voice in development, NAC members may find it difficult to represent their neighbors. For this reason, we recommend that NAC members engage their community to get an idea of the concerns and desires of Impact Area residents. In this section, we present some suggestions for how such outreach can be done.

We recognize that many of the engagement strategies presented require varying levels of time, money, and energy. While NACs are often working under rushed timelines and not provided with a budget to conduct outreach, there are still ways to engage residents relatively quickly and cheaply. Because each NAC will have different access to money and volunteers, this section seeks to present a range of options, from resource-intensive community meetings to free-to-use survey tools. PDD and the Department of Neighborhoods will also support community engagement efforts.

## STEP 1

### IDENTIFY THE INFORMATION YOU WANT TO COLLECT

What kind of information do you want to collect?

I want to know my community's needs and concerns



See page 70



I want to know which needs and concerns are the most important to my community



See page 72



We want to agree on what we as a community envision for our future



See page 73



# HOW TO PROCEED WITH COMMUNITY ENGAGEMENT

The flow chart and questions below may be helpful in planning. Note that you do not have to choose just one method, you could choose a combination.

## STEP 2 IDENTIFY TOOLS & OUTREACH TACTICS

Do you want...

To collect detailed feedback from fewer people?

Consider a **MEETING**, they require:

- » Time, money, and capacity
- » A location to host the meeting
- » Flyers or advertisements

Do you have these things?

**Y**

Host your own meeting

**N**

Do you know of existing community groups?

**Y**

Collaborate with one of these groups to present at their meeting

**N**

Do interviews or focus groups

To collect less-detailed feedback, but from a lot of people?

Consider a **SURVEY**, they require:

- » Time and volunteers
- » Printed materials
- » A script for surveyors

Do you have these things?

**Y**

Do door-to-door surveys

**N**

Do an online survey

## STEP 3 CONDUCT OUTREACH & ANALYZE THE RESULTS

Did you get the number of responses you were hoping for?  
Are there clear conclusions from the feedback you received?  
Have all your research questions been answered?

**Y**

You're all set!

**N**

Go back to Step 1

# INFORMATION THAT WOULD BE HELPFUL TO COLLECT

## UNDERSTANDING COMMUNITY NEEDS

If a NAC hasn't already identified community concerns, a community needs assessment can be helpful. It asks residents to identify their community concerns and needs that can be used to determine requests for community benefits. Community needs can be grouped into broad categories such as housing, jobs, or park space; information can also be collected on specific locations that raise concern (e.g. a particular vacant housing, a derelict park space, or a busy street intersection). A community needs assessment can be done in a number of ways, or combination of the following:



### **A small-group brainstorming exercise in a community meeting**

Residents at a community meeting can gather in small groups and generate a list of community concerns.



### **An open-ended question in a survey**

Either in-person or virtually, residents can be asked to identify neighborhood concerns they have through an **open-ended question**.

#### **OPEN-ENDED QUESTION:**

A survey question that is not multiple choice, but a blank box that allows the respondent to fill in whatever they choose. These types of questions are good for trying to identify new ideas or unknown variables.



### **A sticky note grouping exercise at a community meeting**

Instead of breaking into small groups, residents can also be asked to write concerns on sticky notes and then place them on a board. Once everyone has finished placing their sticky notes, the facilitator can read the sticky notes and then group them according to broad categories.



### **Statistics about your neighborhood**

Statistics can be a powerful tool to identify community needs, but should be paired with community feedback collected through a survey or community meeting. Through the U.S. Census, the City of Detroit data portal, Data Driven Detroit, and other nonprofits, NAC members can look up a wealth of information about their community such as household income, housing affordability, bus routes, commute times, unemployment rates, access to grocery stores, asthma rates, and much more. See Section 6: Helpful Resources for how to contact these groups.



### **A series of ranking questions**

NACs can identify community needs by asking respondents how much they agree or disagree with statements about the current conditions of the neighborhood. See **Example #1 Community Needs Survey** on page 75 for more information.

#### **TIP: TALK TO EXISTING COMMUNITY GROUPS**

Before engaging their neighbors, NAC members should talk to existing community groups like block clubs, neighborhood associations, or business associations to learn about community events, local concerns, and how they would recommend engaging their constituents.

# PRIORITIZING COMMUNITY NEEDS

Once community concerns and potential benefits are identified, prioritizing them can communicate to the developer which community needs are most important. Tools for prioritizing community needs include:



## **A ranking question in a survey**

Either in-person or virtually, residents can respond to a survey question that asks them to look at a list of previously identified concerns and rank them in order of importance. See **Example #2 Concern Prioritization** on page 76 for more information.



## **A voting exercise at a community meeting**

At a community meeting, the facilitator can write a list of previously identified concerns on the wall (or use grouped sticky notes from a previous exercise identifying community concerns). Residents are then given 1-3 stickers and asked to place their sticker on the community concerns they deem to be most important.

### **TIP: TALLYING PRIORITIES**

Ranking questions can be long, so respondents can also just be asked to “check” their top three concerns on the identified list. The tally of total responses will reveal the community’s priorities.

### **TIP: EXPLAIN THE RULES OF THE GAME**

If conducting a voting exercise, make sure to explain the rules of the game. If residents are given three stickers to vote, do they have to vote for three different items, or can they put all three stickers on a single item? Denoting that it is particularly important.

# CREATING A COMMUNITY VISION

Alternatively, a NAC may want to engage the community to establish a set of values and broad vision related to the new development. From these values, a NAC can infer which issues and needs are most important to residents of the Impact Area. Some ways a NAC can establish a set of values include:



## **A series of ranking questions**

NACs can establish values by asking respondents how much they agree or disagree with statements about future development. See **Example #3 Community Vision and Values for Development** on page 77 for more information.



## **A voting exercise at a community meeting**

At a community meeting, the facilitator can write a list of proposed values on the wall (or use grouped sticky notes from a previous exercise identifying community concerns). Residents are then given 1-3 stickers and asked to place their sticker on the community concerns they deem to be most important.

# WHAT TOOLS CAN HELP COLLECT INFORMATION?

## SURVEYS

Surveys can be conducted either in person or virtually. They are helpful in gathering input from many people, but don't provide an opportunity to ask follow-up questions. Surveys are good for large snapshots of community sentiment but don't allow for a lot of detail.

### »» Online survey

Online surveys are inexpensive and easy to implement, but can restrict responses to only those with internet access. Commonly used platforms include Survey Monkey and Google Forms.

### »» Door-to-door survey

Going door-to-door can be a way to collect a lot of data from a focused geographic location, like the Impact Area for a CBO-related project.

### »» Intercept survey

An intercept survey entails surveying people as they pass through a public place like a sidewalk, bus stop, or parking lot. It can be helpful when identifying concerns about a specific location with questions like, "On a scale between 1 and 5, how adequate is the lighting along this commercial corridor?"

#### TIP: KEEP SURVEYS SHORT

To increase the response rate, both door-to-door surveys and intercept surveys should be short, with only 5-10 close-ended questions; or 1-2 open-ended questions.

#### TIP: GEOGRAPHIC DATA

For online surveys, include a question asking respondents to provide their nearest cross streets or zip code. This can help identify where responses are coming from geographically. D4 does not recommend asking people for their specific address - it can make respondents feel uncomfortable and reduce the response rate.

# EXAMPLE #1

## COMMUNITY NEEDS SURVEY

This example assumes that the NAC is looking to conduct a community needs assessment to identify which issues most affect Impact Area residents. **Note:** Using a series of ranked questions to conduct a community needs assessment can also help prioritize the concerns.

**For each of the following statements, please check how strongly you agree or disagree:**

	<b>STRONGLY DISAGREE</b>	<b>DISAGREE</b>	<b>NEUTRAL</b>	<b>AGREE</b>	<b>STRONGLY AGREE</b>
1. Housing is affordable to most people in my neighborhood					
2. It is easy for my neighbors to find a job					
3. Parks in my neighborhood are in good condition and well-maintained					
4. My neighborhood has adequate access to grocery stores					

**Are there any other neighborhood needs you'd like the NAC to be aware of?**

# EXAMPLE #2

## CONCERN PRIORITIZATION

This example assumes the NAC has already identified some broad categories of community concern related to the CBO project, and is looking to prioritize which ones are most important.

**Of the following FOUR statements, please put a check next to the top TWO statements that most concern you:**

1. \_\_\_\_\_ I am concerned that once the new development is built, current residents will no longer be able to afford housing in the neighborhood
2. \_\_\_\_\_ I am concerned that local residents won't be able to get jobs at the new facility once it is built
3. \_\_\_\_\_ I am concerned that the new development will greatly increase traffic and make it difficult for residents to find parking
4. \_\_\_\_\_ I am concerned that the new development will emit lots of pollution and noise once completed

**TIP: INCLUDE "OTHER" OPTION**

Always provide "Other" as an option where respondents can write in what their top concerns or priorities are.

# EXAMPLE #3

## COMMUNITY VISION AND VALUES FOR DEVELOPMENT

This example assumes that a NAC wants to establish a vision for future development and from that vision, it will determine what issues to prioritize for CBO negotiations.

**For each of the following statements, please check how strongly you agree or disagree:**

	<b>STRONGLY DISAGREE</b>	<b>DISAGREE</b>	<b>NEUTRAL</b>	<b>AGREE</b>	<b>STRONGLY AGREE</b>
1. It is important that low-income families can afford to live in my neighborhood					
2. It is important that local residents can walk to work					
3. It is important that my neighborhood has a safe, well-maintained park					
4. It is important that my neighborhood doesn't have a lot of traffic or congestion					
5. It is important that my neighborhood has locally-owned small businesses within it					

**Are there other values related to future development you'd like the NAC to be aware of?**

# COMMUNITY MEETINGS

Community Meetings can provide a lot of in-depth information, but from a smaller number of people. Types of community meetings may include:



## **Host your own meeting**

Hosting your own community meeting can be comparatively expensive, usually requiring money to print materials, publicize the meeting, and provide refreshments. However, they also allow a NAC to control the entire agenda.



## **Existing meetings**

Instead of hosting a separate meeting, NACs can contact existing community groups like block clubs or neighborhood associations and ask to present at their regularly scheduled meetings. During the presentation, NACs can gather data and collect feedback through facilitated questions or passed-out surveys.



## **Focus groups and interviews**

NACs can also host targeted focus groups and/or interviews as part of their engagement strategy. They offer NACs the opportunity to ask tailored questions to different audiences, such as residents of a particular area in the Impact Area, or local business owners.

# HEARING FROM NAC MEMBERS

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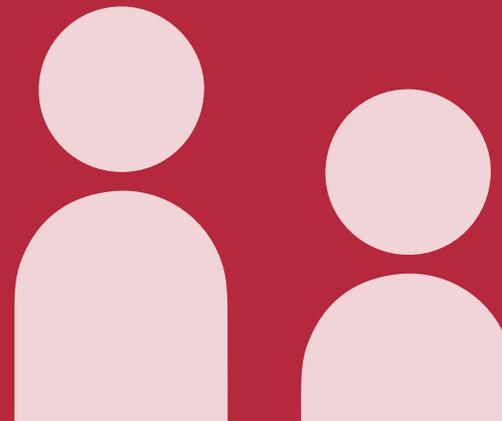
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“[NAC Members] were interacting with various groups, organizations within the community. They would go to the meetings and the community would voice their concerns at those meetings...They would come back and say ‘the community that I’m representing, they’re saying this’. The other young lady who was selected by the community, she went around, she actually drove around, and she talked to people in the community...We presented to Fiat Chrysler and the city, this is what they want, you know. We want training programs, we want schools to participate, we want it to be ongoing, we don’t just want it to stop, just because you’ve gotten this passed. We want this for the life of the plant. For the next 30 years, we want you to focus in on our community as far as hiring. They said they’ll do their training and all of that.”

*- NAC Member from the Jefferson North Assembly Plant Expansion*

“I provided updates to the coop that I live in at multiple member meetings, met with residents who wanted more information or had questions/comments, and reached out to inform friends in the community. On a personal note, I got to know more people in my community through participating on the NAC board which is great.”

*- NAC Member for Lafayette West*



A teal-tinted photograph of a city skyline, likely New York City, with a river in the foreground. The image is used as a background for the text.

“Across the country, we are organizing to make the consideration of community benefits a standard part of official economic development plans and actions. Public officials are paying increased attention to community concerns, including wages, affordable housing, training and career path opportunities, and healthy communities. Together we are working to ensure that the concept of local government intervention for public benefit is embedded in the new urban agenda.”

*- The Partnership for Working Families*



# SECTION 6 HELPFUL RESOURCES

# DETROIT'S COMMUNITY BENEFITS ORDINANCE (CBO)

Passed on November 29, 2016; subject to amendment

## NOTICE OF ENACTMENT OF ORDINANCE TO THE PEOPLE OF DETROIT, MICHIGAN.

Through an initiative submitted by City Council resolution, the people of the City of Detroit adopted the following ordinance at the November 8, 2016 General Election:

### ORDINANCE NO. 35-16

#### CHAPTER 14.

#### COMMUNITY DEVELOPMENT

#### ARTICLE XII.

#### COMMUNITY BENEFITS

IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT: Section 1. Chapter 14 of the 1984 Detroit City Code, *Community Development*, is amended by adding Article XII, *Community Benefits*, which consists of Sections 14-12-1 through 14-12-5, to read as follows:

#### **Sec. 14-12-1. Purpose; Title.**

- (a) The City is committed to community outreach and engagement that promotes transparency and accountability and ensures development projects in the City of Detroit benefit and promote economic growth and prosperity for all residents.
- (b) This article shall be known as the "Detroit Community Benefits Ordinance."

#### **Sec. 14-12-2. Definitions.**

**Community Benefits Provision** means the agreement made by and between the Planning Director and the Developer which specifically addresses the issues raised by the NAC.

**Enforcement Committee** means 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.

**Impact Area** means an area determined by the Planning Director that includes all census tracts or census block groups in which the Tier 1 Project is located, and any other areas as determined by the Planning Director.

**NAC** means the Neighborhood Advisory Council.

**Planning Director** means the Director of the City of Detroit's Planning and Development Department, or a member of the Planning Director's staff working on behalf of the Planning Director.

**Tier 1 Development Project** means 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.

**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 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.

### **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.

(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; and

(3) In addition to the notice requirement contained in Subsection (2) of this section, the Planning Director shall work with the District Council Member or Members representing the district or districts where the Tier 1 Project is located and at least one At-large Council Member to ensure that local

residents, businesses, and organizations, especially those located in the Impact Area and those expected to be directly impacted by the Tier 1 project are informed of the public meeting.

(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.

(5) City Council shall appoint a liaison from the Legislative Policy Division to monitor the community engagement process and provide updates to the City Council.

(6) The Planning Director shall provide notice to the liaison of all upcoming meetings and activities associated with the community engagement process related to the Tier 1 Project.

**(b) Neighborhood Advisory Council.**

(1) The Planning Director will accept nominations to the NAC from any person that resides in the Impact Area.

(2) All residents over the age of 18 that reside in the Impact Area are eligible for Nomination.

(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.

(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.

(5) All actions of the NAC may be taken with the consent of a majority of NAC members serving.

**(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.

(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.

(3) As part of community engagement the developer, or their designee, shall be required to meet as directed.

**(d) Community Benefits Report.**

(1) The Planning Director shall provide a Community Benefits Report to City Council regarding the Tier 1 Project prior to the

request for any approvals related to the Tier 1 Project.

(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.

(3) The Planning Director, where possible, shall provide a copy of the Community Benefits Report to the NAC prior to submission to City Council.

(4) To ensure an expeditious community engagement process, the Planning Director, where possible, shall submit the initial Community Benefits Report within six weeks from the date the notice is sent of the public meeting.

(5) The Planning Director shall work with City Council to assure that, to the maximum extent possible, all of the approvals required of City Council may be considered simultaneously and subject to one approval vote.

(6) The Planning Director shall work with other City departments to facilitate that Tier 1 Projects receive expedited City-required approvals.

**(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

- b. The procedure for community members to report violations of the Community Benefits Provision to the NAC.
- c. The length of time that Annual Compliance Reports as outlined in Subsection (f)(2) of this section, are required to be submitted.
- d. Continued community engagement or community meeting requirements.

(2) The Developer shall not be required to enter into a legally binding agreement with any individual or organization other than the City for the express purpose of fulfilling the requirements of this ordinance or other City-mandated community engagement processes.

(3) The Developer may voluntarily enter into any contract or agreement related to the Tier 1 Project that does not pose a conflict of interest with the City.

**(f) Enforcement.**

(1) An Enforcement Committee shall be established to monitor Tier 1 projects.

- a. The Enforcement Committee shall be comprised of, at minimum, the following four individuals:
  - i. Corporation Counsel for the City of Detroit; or their designee;
  - ii. a representative from the Planning and Development Department;
  - iii. a representative from the Law Department;
  - iv. a representative from the Human Rights Department.
- b. In addition to the members of the Enforcement Committee as identified in Subsection (1)a of this section, the Planning

Director may require that other departments participate in the Enforcement Committee as needed.

(2) The Enforcement Committee shall provide a biannual compliance report to the City Council and the NAC for the time period identified in the Community Benefits Provision.

(e) Development Agreement.

(3) The Planning Director shall facilitate at least one meeting per calendar year between the NAC and the Developer to discuss the status of the Tier 1 Project for the time period identified in the Community Benefits Provision.

(4) The NAC shall review any allegations of violations of the Community Benefits Provision provided to it by the community, and may report violations to the Enforcement Committee in writing.

(5) Upon receipt of written notification of allegations of violation from the NAC, the Enforcement Committee shall investigate such allegations and shall present their written findings to the NAC based upon the following:

- a. Whether the Developer is in compliance with the Community Benefits Provision; and
- b. How the Community Benefits Provision will be enforced or how violations will be mitigated.

(6) The findings of the Enforcement Committee shall be presented to the NAC no later than 21 days from the date the violations were reported to the Enforcement Committee, unless the need for additional time is reported to City Council and the NAC within the original 21 day time frame.

(7) If the NAC disagrees with the findings of the Enforcement

Committee or determines that the Enforcement Committee is not diligently pursuing the enforcement or mitigation steps outlined in its findings, the NAC may send notice to the Enforcement Committee, and the Enforcement Committee shall have 14 days from receipt of notice to respond to the concerns outlined.

(8) If the NAC is not satisfied with the Enforcement Committee's response, the NAC may petition the City Clerk and request that City Council schedule a hearing with opportunity for both the Enforcement Committee and the NAC to present information related to the alleged violations of the Community Benefits Provision and any enforcement or mitigation efforts that have occurred.

(9) If City Council elects to hold a hearing, or based upon the written information submitted, City Council shall determine whether the Enforcement Committee has made reasonable efforts to ensure that the Developer has complied with the Community Benefits Provision.

a. If City Council determines that the Enforcement Committee has made reasonable efforts, City Council shall notify the NAC and the Enforcement Committee of their findings.

b. If City Council finds that the Enforcement Committee has not made reasonable efforts, City Council shall make specific finding to the Enforcement Committee on the steps that need to be taken to comply with the Community Benefits Provision.

i. The Enforcement Committee shall provide City Council and the NAC monthly updates on compliance actions until City Council adopts a resolution declaring that the Developer is in compliance with the Community Benefits Provision or has taken adequate steps to mitigate violations.

ii. City Council may hold additional hearings related to enforcement of the Community Benefits Provision as needed.

**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.

**Section 14-12-5. Exemptions.**

The requirements of this ordinance may be waived by resolution of the City Council upon submission by either the Planning Director or the Developer identifying reasons that the requirements of this ordinance are impractical or infeasible and identifying how the Developer will otherwise provide community benefits.

**Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

**Section 3.** This ordinance is declared necessary for the preservation of the public peace, health, safety, and welfare of the People of the City of Detroit.

**Section 4.** The article added by this ordinance has been enacted as comprehensive local legislation. It is intended to be

the sole and exclusive law regarding its subject matter, subject to provisions of state law.

*Approved: November 8, 2016*

*Certified by the Board of County Canvassers: November 22, 2016*

*Published: November 29, 2016*

*Effective: November 29, 2016*

# IMPORTANT POLICY

## INCLUSIONARY HOUSING ORDINANCE

*Passed on November 3, 2017; subject to amendment*

### **Sec. 22-3-1. Purpose and intent.**

The requirements of this article are intended:

- (1) To promote the health, safety and general welfare of the People of the City of Detroit through the implementation of housing goals, objectives, and policies that support economically integrated housing opportunities in the development or rehabilitation of housing;
- (2) To stimulate the production of rental housing available to low-income individuals or families;
- (3) To optimize benefits available to low- and moderate-income residents by incentivizing affordable residential housing projects; and
- (4) To promote the development of residential housing projects in which at least 20 percent of the total units are reserved for households with incomes of 80 percent or less of Area Median Income.

### **Sec. 22-3-2. Definitions.**

For purposes of this article, the following words and phrases shall have the meaning respectively ascribed to them by this section:

**Affordable** means, as generally defined by the U.S. Department of Housing and Urban Development, housing for which the

occupants are paying no more than 30 percent of their income for gross housing costs, including utilities.

**Area Median Income** means the median family income for the Detroit-Warren-Livonia Metropolitan Statistical Area, as published by the U.S. Bureau of Census and the U.S. Department of Housing and Urban Development.

**Consumer Price Index** means the U.S. Department of Labor Bureau of Labor Statistics Consumer Price Index for all Urban Consumers for the Detroit metropolitan area, or some other comparable index stated in the administrative procedures promulgated by the Director of the Housing and Revitalization Department in accordance with Section 22-3-9 of this Code.

**Developer** means the legal or beneficial owner or the representative thereof, of a parcel of land proposed for inclusion in a development, including the holder of an option or contract to purchase who performs the functions necessary to obtain land control and financing to construct or rehabilitate a property and expects to assume the risks and rewards upon completion of the project but does not mean a governmental entity or a commercial lending institution other than a commercial lending institution affiliated with the developer.

**Development** means the division of a parcel of land into two or more parcels; the construction, reconstruction, conversion, structural alteration, relocation, or enlargement of any residential buildings, any use or change in use of any buildings or land, any extension of any use of land or any clearing, grading, excavation or other movement of land, for which permission may be required pursuant to Chapter 50 of this Code, Zoning.

**Dwelling** means a building, or portion of a building, designed for or occupied in whole or in part as the home, residence, or sleeping place of one or more individuals, either continuously, permanently, temporarily, or transiently but does not mean a hotel, motel, bed and breakfast, hostel, or other lodging facilities.

**Dwelling unit** means a building, or portion of a building, designed

and used for residential occupancy by a single household and that includes exclusive sleeping, cooking, eating and sanitation facilities.

**Eligibility criteria** means, with respect to rental housing, at the time of the first rental, or any subsequent lease renewals or extensions, 20 percent of the dwelling units required to be affordable to households earning up to 80 percent of the Area Median Income.

**Fund** means the Detroit Affordable Housing Development and Preservation Fund established under Section 22-3-7 of this Code.

**Qualifying transaction** means any of the following:

- (1) Type 1 — The sale or transfer of City-owned real property at less than true cash value which is intended to be developed for a residential housing project;
- (2) Type 2 — Direct monetary support from the City of at least \$500,000.00, adjusted annually based on changes in the Consumer Price Index, for a residential housing project;
- (3) Type 3 — Commitment of Community Development Block Grant funds of the U.S. Department of Housing and Urban Development controlled by the City of at least \$500,000.00, adjusted annually based on changes in the Consumer Price Index, for a residential housing project;
- (4) Type 4 — Commitment of HOME Investment Partnership Program funds of the U.S. Department of Housing and Urban Development controlled by the City of at least \$500,000.00, adjusted annually based on changes in the Consumer Price Index, for a residential housing project; or
- (5) Type 5 — Commitment of funds of at least \$500,000.00, through an as yet unidentified State of Michigan or federal housing development program.

**Residential housing project** means one or more buildings that collectively contain at least 20 dwelling units offered for rent on one or more tax parcels or lots marketed as a single or unified project or sharing common elements, including, but not limited

This ordinance applies to residential buildings with at least 20 rental units and that are receiving certain types of subsidy

to, dwelling units within a mixed use development or in a planned development district as set forth in Chapter 50 of this Code, Zoning.

**Substitute structure** means a separate structure, or separate structures, that meet the criteria contained in Section 22-3-4(d)(3) of this Code.

### **Sec. 22-3-3. Applicability; exemptions.**

(a) Subject to Subsections (b) and (c) of this section, all qualifying transactions brought before the City Council for approval are subject to the affordability requirements set forth in Section 22-3-5 of this Code.

(b) The following facilities are exempt from the requirements of this article:

- (1) Nursing homes, residential care facilities, and assisted care living facilities;
- (2) Dormitories and group quarters, as defined by the U.S. Bureau of Census; and
- (3) Predominantly transient-occupied lodging such as hotels, motels, hostels, and bed and breakfasts.

(c) The requirements of this article do not supersede requirements or regulations set forth by the U.S. Department of Housing and Urban Development or its agencies, or requirements or regulations set forth by the State of Michigan or its agencies.

### **Sec. 22-3-4. Council approval; waivers and alternate means of compliance.**

(a) Except as provided in this section, the City Council shall not approve any qualifying transaction unless the transaction conforms to this article.

(b) All requests for approval of qualifying transactions brought before the City Council shall be accompanied or supplemented by a report from the Housing and Revitalization Department, which

establishes that the evaluation and processing of the qualifying transaction was performed pursuant to the administrative procedures promulgated under Section 22-3-9 of this Code.

(c) Where the Housing and Revitalization Department concludes that a waiver under Subsection (d) of this section is justified for a residential housing project, the report to the City Council shall state the grounds for the Department's conclusion and proposed findings for the City Council and be posted on the City's website.

(d) Notwithstanding the provisions of Subsection (a) of this section, if the developer or owner have previously agreed to provide affordable housing subject to an agreement approved by the City Council it shall be deemed consistent with this waiver provision.

Upon request of the Director of the Housing and Revitalization Department, the City Council may also approve a qualifying transaction that does not conform to this article, where City Council finds and declares in the authorizing resolution that:

(1) The application of the affordability requirements set forth in Section 22-3-5 of this Code would produce a result inconsistent with the purpose and intent of this article as set forth in Section 22-3-1 of this Code; or

(2) The application of the affordability requirements of this article would have a significant negative impact on the economics of the residential housing project thus rendering the project unviable; or

(3) The developer or owner provides satisfactory assurance that the affordability requirements applicable to the structure(s) comprising the residential housing project are satisfied by the provision of affordable dwelling units in one or more substitute structures, as defined in Section 22-3-2 of this Code, where all of the following criteria are satisfied:

a. All structures are to be developed and placed into service within a 24-month period from the completion of the first structure comprising the residential housing project;

b. All substitute structures are either within a comparable neighborhood to that of the residential housing project with

With City approval, the developer can satisfy the requirements of this ordinance by providing the affordable units in a substitute building. However, certain criteria must be met.

comparable access to employment centers, transportation, and other quality of life indicators, or are no more than one-quarter mile away from the residential housing project; and

c. The affordability requirements including the substitute structures are satisfied for the residential housing project as a whole within the 24-month development period, which is calculated from the completion of the first structure comprising the residential housing project. The developer shall notify, in writing, the Director of the Housing and Revitalization Department and the City Council of delays in meeting this timeframe. This notification shall include the reason for such delay(s) and the anticipated completion date.

(e) The requirements of this article applicable to a residential housing project under or after development may be waived or modified in accordance with Subsections (c) and (d) of this section.

**Sec. 22-3-5. Affordability requirements of eligible residential housing developments.**

- (a) All qualifying transactions shall be made pursuant to a contract or development agreement between the City and the developer.
- (b) The agreement shall at minimum include the following provisions:
  - (1) Applicable affordability requirements:
    - a. For Type 1 and Type 2 Qualifying Transactions at least 20 percent of the dwelling units for rent or lease as part of the residential housing project shall be affordable and provided to households earning up to 80 percent of the Area Median Income. Where the product includes a fraction, a fraction of 0.5 or greater shall be rounded up to the next higher whole number and a fraction less than 0.5 shall be rounded down to the next lower whole number;
    - b. For Type 3 and Type 4 Qualifying Transactions at least 15 percent of the dwelling units for rent or lease as part of the residential housing project shall be affordable and provided to

For each type of subsidy trigger, there are different affordability requirements.

households earning up to 60 percent of the Area Median Income, and at least five percent of the dwelling units are to be affordable and provided to households earning up to 50 percent of the Area Median Income. Where the product includes a fraction, a fraction of 0.5 or greater shall be rounded up to the next higher whole number and a fraction less than 0.5 shall be rounded down to the next lower whole number. Residential Housing Projects meeting the definition of a Type 1 or Type 2 Qualifying Transaction and a Type 3 or Type 4 Qualifying Transaction are subject to this subpart; and

c. For Type 5 Qualifying Transactions affordability requirements shall follow the criteria set forth by the applicable state or federal regulations of the relevant funding program.

(2) The affordable dwelling units shall remain affordable for 30 years after the time of the issuance of the certificate of occupancy for that unit, or after the first day of the initial lease where no such certificate is issued. The affordability requirement shall automatically terminate if the property is taken by eminent domain, foreclosed by a bona fide lender, or a deed in lieu of foreclosure is given to a bona fide lender. Upon request after the termination of the affordability requirement, the Housing and Revitalization Department shall issue a release of the affordability requirement in recordable form;

(3) Income verification and confirmation of eligibility criteria shall occur through production of information, including rent rolls, to the Housing and Revitalization Department on an annual basis or upon request;

(4) Where the requirements of this article are not met or maintained, the developer or owner shall be responsible for financial penalties as set forth in Section 22-3-6 of this Code; and

(5) The provisions of the contract or development agreement relating to affordable housing shall run with the land and be binding on all subsequent owners of the residential housing project.

The inclusionary units must be affordable for 30 years.

(c) The affordability requirements, obligations, and penalties shall be set forth in a restrictive covenant or other appropriate document in recordable form, fully executed by the owner of the residential housing project, and recorded with the Wayne County Register of Deeds.

**Sec. 22-3-6. Penalties for violation; options to cure.**

(a) The contract or development agreement for the qualifying transaction shall contain provisions such that, where the requirements of this article are not met or maintained, the developer or owner shall be responsible for the payment to the City of the following penalties:

(1) Upon the failure to maintain and provide the required level of dwelling units available for rent or lease at affordable rates, both of the following:

- a. The excess of actual rent received over the affordable rate that would otherwise apply; and
- b. A penalty for each unit not in compliance in the amount not less than 25 percent of the affordable monthly rent for each month or part of a month of non-compliance;

(2) The enforcement costs of the City; and

(3) Any other sanctions or penalties under applicable laws, rules, or regulations.

(b) The penalty described in Subsection (a)(1)(ii) of this section shall be assessed to the developer or owner subject to the following:

(1) Prior to the application of the penalty, the owner shall have 60 days to cure the noncompliance;

(2) Where the owner has failed to cure the non-compliance within 60 days, the penalty shall be assessed from the first day of non-compliance;

(3) The 60-day cure period may be extended by the Director of the Housing and Revitalization Department for a reasonable specifically-stated period for good cause shown, which shall

be stated in the extension document. Examples of good cause include, but are not limited to, situations where the current qualifying tenant's income increases above the applicable Area Median Income thresholds and situations where affordable dwelling units are not currently occupied by qualifying tenants but the owner is actively marketing the units to qualifying tenants.

### **Sec. 22-3-7. Detroit Affordable Housing**

#### **Development and Preservation Fund.**

(a) The City shall create an appropriation within the Housing and Revitalization Department's budget deemed the Detroit Affordable Housing Development and Preservation Fund for the deposit and expenditure of penalties collected pursuant to this article.

(b) The purpose of the Fund is:

(1) To foster and promote the purpose and intent of this article;

(2) To prioritize the means by which funding for new residential housing projects addresses housing for those with the greatest economic need, being households earning up to 50 percent of the Area Median Income;

(3) To increase accessibility to safe, affordable housing for those facing high housing costs;

(4) To prioritize permanent housing affordability and sustainability within the City; and

(5) To prioritize the preservation of existing affordable housing units.

(c) In addition to the deposit of penalties for violations under Section 22-3-6 of this Code, the City's annual budget shall contain an appropriation to the Fund. It is expected that the annual appropriation will be not less than 20 percent of the net receipts of all commercial property sales during the previous fiscal year.

(d) Unless specifically stated otherwise in the budget closing resolution, funds not expended within such appropriation during

a given fiscal year shall remain in such appropriation and carry forward into the subsequent fiscal year to fund future affordable residential housing projects and other eligible activities.

(e) Subject to approval of the City Council, the City may also accept and deposit into the Fund or subaccounts of the Fund donations and grants from private or public sources, subject to conditions of such grant, for use in accordance with the purpose of the Fund.

(f) Agreements or contracts for the expenditures from the Fund shall be authorized by the City Council.

(g) In addition to the affordability administrative procedures promulgated under Section 22-3-9 of this Code, the Director of the Housing and Revitalization Department shall promulgate and publish on the City's website administrative procedures requiring Fund moneys to be used to support housing opportunities for Detroit residents with income up to 50 percent of the Area Median Income for activities consistent with this article.

(1) To the extent possible, not less than 70 percent of Fund moneys shall be allocated to directly benefit households earning up to 30 percent of the Area Median Income; the remaining 30 percent of moneys may be used to benefit households earning up to 50 percent of the Area Median Income. Fund moneys shall not be used to benefit households earning more than 50 percent of the Area Median Income.

(2) Not less than 70 percent of Fund moneys shall be allocated in areas that are located in areas of persistent poverty, as identified by the U.S. Census Bureau, and/or are located within Multi-Family Target Areas that are identified by the Housing and Revitalization Department.

(3) Eligible activities include, but are not limited to, enforcement of this article, creation and preservation of affordable housing units, compliance with standards for accessible design and other activities under the Americans with Disabilities Act, 42 USC 1201 et seq. , or similar state laws, administration and disbursement

of grant funds for home repair, homelessness prevention, neighborhood revitalization, activities of a non-profit corporation that develops and stewards affordable housing, and any other activities consistent with this article.

(4) The Housing and Revitalization Department shall provide the City Council, Planning and Development Department and the Law Department with reasonable opportunity to review and comment on the proposed administrative procedures prior to promulgation under Section 22-3-9 of this Code.

(5) City Council may select individuals with expertise in the creation and/or sustain ability of affordable housing, or individuals directly impacted by or who reside in subsidized housing, to serve in an advisory capacity to City Council as part of its due diligence in considering recommendations from the Housing and Revitalization Department. These individuals may include representatives from a disability rights organization, fair housing experts, developers of extremely low income housing, an organization representing people experiencing homelessness, and/or affordable housing policy experts.

### **Sec. 22-3-8. Reporting requirements.**

The Housing and Revitalization Department shall prepare and submit an annual report to the Mayor and the City Council that includes, at a minimum, the following information:

(1) The number of qualifying transactions presented to City Council in the preceding year:

- a. The number of qualifying transactions approved by City Council; and
- b. The number of qualifying transactions denied by the City Council.

(2) The number of dwelling units created that meet the affordability requirements;

(3) The level of compliance in maintaining the affordability of

dwelling units created in previous years;

(4) The number of written notifications issued for noncompliance with this article;

(5) The total amount of penalties issued and collected for failure to cure noncompliance;

(6) The number and circumstances of each extension granted under Section 22-3-6(b)(3) of this Code; and

(7) The list of itemized expenditures from the Detroit Affordable Housing Development and Preservation Fund.

**Sec. 22-3-9. Administration and implementation; promulgation of administrative rules.**

(a) In accordance with Section 2-111 of the Charter, the Director of the Housing and Revitalization Department shall promulgate administrative procedures for the implementation, administration, and enforcement of this article.

(b) With the assistance of the Department of Innovation and Technology, the Housing and Revitalization Department shall create and maintain an informational website for the registration and identification of affordable housing opportunities across the City.

(c) Within 120 days from the effective date of this article, the Housing and Revitalization Department shall promulgate and publish on the City's website administrative procedures for the evaluation and processing of any qualifying transactions. The Housing and Revitalization Department shall provide the Planning and Development Department and the Law Department with reasonable opportunity to review and comment on the proposed administrative procedures prior to promulgation under this section.

(d) The administrative procedures shall include, at minimum, the affordability requirements set forth in Section 22-3-5 of this Code, the method used to determine the Consumer Price Index, the

current Area Median Income, the currently applicable affordable housing costs based on the current Area Median Income, and the Fund guidelines described in Section 22-3-7(g) of this Code.

(e) Any additional requirements or protocols contained in the administrative procedures shall align with the purpose and intent of this article as set forth in Section 22-3-1 of this Code.

(f) The Housing and Revitalization Department shall update the website as needed, and at minimum to indicate any adjustments due to changes in the Consumer Price Index or the Area Median Income.

## EXECUTIVE ORDER FOR HIRING

*Passed on December 16, 2016; subject to amendment*

### **Executive Order NO. 2016-1**

WHEREAS, it is the policy of this Administration to encourage and maximize the utilization of Detroit residents on all City contracts and all projects benefited by City subsidies. An important component of the economic revitalization of Detroit is the employment of Detroit residents. Accordingly, this Executive Order directs any entity entering into a publicly-funded construction project to implement specific residency targets for its workforce, as follows:

1. A “publicly-funded construction project,” for purposes of this Executive Order, means (a) any construction contract for more than **\$3,000,000.00** (Three Million Dollars) made by the City with any person or entity; and (b) any construction project for which the City, affiliated public or quasi-public entities of the City, or any of their agents or contractors provides funds or financial assistance

This executive order applies to projects that receive \$3 million or more in discounted land sales, direct monetary support or other public subsidies.

via any of the following methods, where total assistance from the City or its affiliated entities is over \$3,000,000.00 (Three Million Dollars):

- (1) The sale or transfer of land below its appraised value;
- (2) Direct monetary support;
- (3) Public contributions originated by the State of Michigan or its agencies, the United States government or its agencies, or any other non-City government entity, and for which City approval is required and obtained; or
- (4) **Tax increment financing**. For purposes of calculating the total assistance directly provided through tax increment financing, tax revenue that would have accrued to all government entities shall be counted.

Other persons or entities doing business with the City, but not covered by this section, may voluntarily agree to be bound by some or all of the substantive requirements of this Executive Order.

2. A “bona-fide Detroit resident,” for purposes of this Executive order, means **an individual who can demonstrate residency in the City of Detroit as of a date at least thirty (30) days prior** to the date the person seeks to be employed for work on a publicly-funded construction project. Residency shall be established by the address listed on (a) any one of the following: State of Michigan identification card, State of Michigan driver’s license, or Detroit municipal ID; plus federal, state, or City of Detroit tax returns, Lease/Rental agreement, the most recent utility bill (or utility affidavit signed by a landlord with respect to a leased residence), or most recent municipal water bill. Other forms of proof-of-residence may be accepted under certain circumstances.

3. All publicly-funded construction contracts shall include a provision providing that at least 51% of the workforce on the

For more information about Tax Increment Financing see page 44.

The executive order considers Detroit residents to be anyone who has lived in the city for 30 days or more prior to being hired.

publicly-funded construction project shall be bona-fide Detroit residents. This requirement shall be referred to as the “Workforce Target.” The Workforce Target shall be measured by the hours worked by bona-fide Detroit residents on the publicly-funded construction project.

4. Developers, general contractors, prime contractors and subcontractors are all required to comply with the terms of this Executive Order. Collectively, these entities are hereinafter referred to as “contractors.” It is, however, the sole responsibility of the person or entity contracted with the City of Detroit to require all of its subcontractors either to (a) meet the Workforce Target; or (b) **make the required contribution to the City’s Workforce Training Fund**, as provided in Paragraph 6 of this Executive Order. Contractors may utilize unions, Detroit Employment Solution Corporation, or other entities to help meet the Workforce Target. Failure to satisfy the requirements of this Executive Order shall constitute a breach of contract and may result in the immediate termination of the contract.

5. Upon execution of a publicly-funded construction contract, the **City of Detroit’s Civil Right, Inclusion and Opportunity Department (“CRIO”)** shall determine whether the Workforce Target in the contract shall be measured periodically either (a) monthly or (b) quarterly. This period shall be referred to as the “measurement period”. Thereafter, for the duration of the construction project, the contractor shall, at the end of each measurement period, submit to CRIO a report indicating:

- (1) The total hours worked on the project during the preceding measurement period (“total work-hours”);
- (2) The total hours worked on the project by bona-fide Detroit residents during the preceding measurement period; and
- (3) If applicable, the amount by which the contractor fell short of meeting the Workforce Target. A contractor falling short of the

When a developer fails to meet the requirement of 51% hours logged by Detroiters, they must pay a fine. The proceeds are used by the City for workforce development.

Compliance with the executive order is monitored by CRIO.

Workforce Target shall report both (a) the raw number of total work-hours by which the contractor fell short of the Workforce Target; and (b) the percentage of total work-hours by which the contractor fell short of the Workforce Target.

6. A contractor who does not meet the Workforce Target in any measurement period shall help strengthen Detroit's workforce by making a monetary contribution to the City's CRIO-administered Workforce Training Fund, thereby supporting the skill development of Detroit residents. The required contribution for any contractor who does not meet the Workforce Target shall be the sum of the following:

(1) For each work-hour comprising the first 0-10% of total work-hours by which the contractor fell short of the Workforce Target, 5% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.

(2) For each work-hour comprising the second 0-10% of total work-hours by which the contractor fell short of the Workforce Target (if applicable), 10% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.

(3) For each work-hour comprising the remaining 0-31% of total work-hours by which the contractor fell short of the Workforce Target (if applicable), 15% of the average hourly wage paid by the contractor on the publicly-funded construction project during the preceding measurement period.

7. If a contractor contracts for labor through a union which is meeting the goals set for it under the Detroit Skilled Trades Employment Program, that contractor will be deemed to have met the Workforce Target with respect to the employees for which it contracted through such a union.

Specifically: CRIO will make a periodic determination whether a union participating in the Detroit Skilled Trades Employment Program is meeting its established goals under that Program. For purposes of calculating a contractor's compliance with the Workforce Target, a union which as of the date a contractor executes its publicly-funded construction contract or subcontract, is meeting its goals under the Program shall be deemed to have no less than 51% of the hours worked by its members on the publicly-funded construction project worked by bona-fide Detroit residents. If bona-fide Detroit residents actually account for more than 51% of the hours worked by union members on a publicly-funded construction project, the actual percentage may be used for purposes of calculating compliance with the Workforce Target.

8. If CRIO determines a contractor is in non-compliance with the requirements of this Order, CRIO will notify the contractor, in writing, of the contractor's non-compliance.

If a contractor wishes to challenge a finding of non-compliance, the contractor may, within fifteen (15) days of the notice of non-compliance, file with CRIO a written notice challenging the finding of non-compliance, and detailing the reasons for the change. The challenge will then be forwarded to a panel comprising of (1) the City's Corporation Counsel or his or her designee; (2) the head of the Department of Administrative Hearings or his or her designee; and (3) the Director of the Buildings, Safety, Engineering, and Environment Department, or his or her designee. The panel shall adjudicate the challenge and issue a written decision. The panel may, but not need to, schedule an oral hearing on the challenge.

If, following written notice of non-compliance and the adjudication of any challenge, the contractor fails or refuses to take correction actions within thirty (30) days, the City of Detroit may do any of the following:

- (1) Withhold from the contractor all future payments under the construction contract until it is determined that the contractor is in compliance;
- (2) Refuse all future bids on city projects or application for financial assistance in any form from the City of any of its departments, until such a time as the contractor demonstrates that it has cured its previous non-compliance;
- (3) Debar the contractor from doing business with the City of Detroit for a period of up to one year.

In addition, the City of Detroit reserves the right to re-bid the contract, in whole or in part, or hire its own workforce to complete the work.

9. All applicable construction contracts, construction contract amendments, charge orders and extensions shall include the terms of the Executive Order. CRIO shall have the responsibility for preparing administrative guidelines related to this Executive Order, and for monitoring and enforcing the provisions of this Executive Order.

Pursuant to the powers vested in me by the 1963 Michigan Constitution and by the 2012 Detroit City Charter, I, Michael E. Duggan, Mayor of the City of Detroit, issue this Executive Order. This Executive Order is effective upon its execution and filing with the City Clerk and supersedes Executive Order No. 2014-2 issued by me on August 22, 2014. Provided, however, that this Executive Order shall not supersede the operation of any prior Executive Order with respect to any publicly-funded construction project on which construction activities have commenced as of the date of this Executive Order.

# CONTACTS AT THE CITY

## **BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT**

***Responsible for building regulations, inspections, permits, and code enforcement***

[www.detroitmi.gov/departments/buildings-safety-engineering-and-environmental-department](http://www.detroitmi.gov/departments/buildings-safety-engineering-and-environmental-department)  
(313) 224-2733

## **CIVIL RIGHTS, INCLUSION & OPPORTUNITY DEPARTMENT (CRIO)**

***Responsible for monitoring and reporting on the CBO process***

[www.detroitmi.gov/departments/civil-rights-inclusion-opportunity-department](http://www.detroitmi.gov/departments/civil-rights-inclusion-opportunity-department)  
(313) 224-4950

## **COMMUNITY BENEFITS ORDINANCE**

***General information about the CBO, past and current CBO projects, and resources for Neighborhood Advisory Councils***

[www.detroitmi.gov/CBO](http://www.detroitmi.gov/CBO)  
(313) 224-1339

## **DEPARTMENT OF NEIGHBORHOODS**

***Responsible for providing a direct link between the City and block clubs, community groups, business owners, faith and school leaders, and everyday residents***

[www.detroitmi.gov/departments/department-neighborhoods](http://www.detroitmi.gov/departments/department-neighborhoods)  
Check the website to determine your District Manager and their phone number

## **DEPARTMENT OF PUBLIC WORKS**

***Responsible for environmental and infrastructure services for cleanliness, safety, and mobility***

[www.detroitmi.gov/departments/department-public-works](http://www.detroitmi.gov/departments/department-public-works)  
(313) 224-3901

## **DEPARTMENT OF TRANSPORTATION**

***Responsible for providing public transit to the City, setting schedules and fares, and consulting the public on proposed transit projects***

[www.detroitmi.gov/departments/detroit-department-transportation](http://www.detroitmi.gov/departments/detroit-department-transportation)  
(313) 933-1300

## **DETROIT DEMOLITION DEPARTMENT**

***Responsible for the City's demolition projects, demolition funding, and reporting on upcoming projects***

[www.detroitmi.gov/departments/detroit-demolition-department](http://www.detroitmi.gov/departments/detroit-demolition-department)  
(313) 224-4737

## **DETROIT HEALTH DEPARTMENT**

***Responsible for promoting public health, equity, safety, and well-being***

[www.detroitmi.gov/departments/detroit-health-department](http://www.detroitmi.gov/departments/detroit-health-department)  
(313) 876-4000

## **GENERAL SERVICES DEPARTMENT**

***Responsible for the City's vehicle fleet, forestry services, vacant lot maintenance, city-owned building maintenance, and park and recreation center planning, design, improvements, and programming***

[www.detroitmi.gov/departments/general-services-department](http://www.detroitmi.gov/departments/general-services-department)  
(313) 628-0900

## HOUSING AND REVITALIZATION DEPARTMENT

**Responsible for ensuring access to safe, decent, and affordable housing**

[www.detroitmi.gov/departments/housing-and-revitalization-department](http://www.detroitmi.gov/departments/housing-and-revitalization-department)  
(313) 224-6380

## LAW DEPARTMENT

**Responsible for providing a variety of legal services to the City, assisting in drafting ordinances, and providing legal advice and counsel**

[www.detroitmi.gov/departments/law-department](http://www.detroitmi.gov/departments/law-department)  
313-224-4550

## MAYOR'S OFFICE

**Responsible for overseeing all of the City's departments and serving as the Chief Executive Officer for the City**

[www.detroitmi.gov/government/mayors-office](http://www.detroitmi.gov/government/mayors-office)  
(313) 224-3400

## MUNICIPAL PARKING DEPARTMENT

**Responsible for the enforcement of the City parking ordinances and providing safe and economical on and off-street parking**

[www.detroitmi.gov/departments/municipal-parking-department](http://www.detroitmi.gov/departments/municipal-parking-department)  
(313) 221-2500

## PARKS AND RECREATION DEPARTMENT

**Responsible for managing parks and recreation centers**

[www.detroitmi.gov/departments/parks-recreation](http://www.detroitmi.gov/departments/parks-recreation)  
(313) 224-1100

## PLANNING AND DEVELOPMENT DEPARTMENT

**Responsible for planning and development processes, including design initiatives and economic development projects, as well as leading the CBO process**

[www.detroitmi.gov/departments/planning-and-development-department](http://www.detroitmi.gov/departments/planning-and-development-department)  
(313) 224-1339

## WATER AND SEWERAGE DEPARTMENT

**Responsible for all water and sewage services, programs, and activities, including stormwater retention**

[www.detroitmi.gov/departments/water-and-sewerage-department](http://www.detroitmi.gov/departments/water-and-sewerage-department)

## YOUTH SERVICES

**Responsible for creating and facilitating programming for young people, including the Grow Detroit's Young Talent (GDYT) summer jobs program**

[www.detroitmi.gov/departments/youth-services](http://www.detroitmi.gov/departments/youth-services)  
(313) 628-1154

# CONTACTS BY TOPIC

## AFFORDABLE HOUSING

### **City of Detroit: Housing and Revitalization Department**

[www.detroitmi.gov/departments/housing-and-revitalization-department](http://www.detroitmi.gov/departments/housing-and-revitalization-department)  
(313) 224-6380

### **Local Initiative Support Corporation (LISC)**

[www.LISC.org](http://www.LISC.org)  
(313) 265-2819

### **Senior Housing Preservation - Detroit**

[www.pvm.org](http://www.pvm.org)

### **United Community Housing Coalition (UHC)**

[www.uchcdetroit.org](http://www.uchcdetroit.org)  
[help@uchc.org](mailto:help@uchc.org)

## COMMUNITY ENGAGEMENT

### **Citizen Detroit**

[www.citizendetroit.org](http://www.citizendetroit.org)  
(313) 334-3131

### **City of Detroit: Planning and Development Department**

Contact the staff member charged with facilitating NAC meetings  
(313) 224-1339

### **Doing Development Differently in Metro Detroit (D4)**

[www.metrodetroitd4.org](http://www.metrodetroitd4.org)  
(313) 986-1726

## CONSTRUCTION SITES

### **Michigan Occupational Safety Hazards Administration (MIOSHA)**

(517) 284-7777

### **Occupational Safety Hazards Administration (OSHA) - Federal**

[www.osha.gov](http://www.osha.gov)  
1 (800) 321-6742

## ENVIRONMENTAL REGULATIONS

**City of Detroit: Health Department**  
[www.detroitmi.gov/departments/health-department](http://www.detroitmi.gov/departments/health-department)  
(313) 876-4000

**Community Action to Promote Healthy Environments (CAPHE)**  
[www.caphedetroit.sph.umich.edu](http://www.caphedetroit.sph.umich.edu)  
(734) 764-2955

**Department of Environment, Great Lakes and Energy (EGLE)**  
[www.michigan.gov/egle](http://www.michigan.gov/egle)  
1 (800) 662-9278

**Environmental Protection Agency**  
[www.epa.gov](http://www.epa.gov)

**Sierra Club - Michigan Chapter**  
[www.sierraclub.org/michigan](http://www.sierraclub.org/michigan)

**Southwest Detroit Environmental Vision (SDEV)**  
[www.sdevweb.org](http://www.sdevweb.org)  
(313) 842-1961

**Sugar Law Center for Economic and Social Justice**  
[www.sugarlaw.org](http://www.sugarlaw.org)  
(313) 993-4505

## FINANCIAL INCENTIVES

**Citizen Detroit**  
[www.citizendetroit.org](http://www.citizendetroit.org)  
(313) 334-3131

**City Council Planning and Economic Development Standing Committee**

**Detroit Economic Growth Corporation (DEGC)**  
[www.degc.org](http://www.degc.org)  
(313) 224-3443

### TIP: CONTACT THE CITY CLERK'S OFFICE

NACs can contact the City Clerk's Office to ask about meetings and events (council meeting schedules etc.). NACs can also request to be added to a list serve to be notified about planning meetings.

## GENERAL SUPPORT FOR THE NAC

**City Council Member and City Clerk's Office**  
[www.detroitmi.gov/government/city-council](http://www.detroitmi.gov/government/city-council)

**City Planning Commission**  
[www.detroitmi.gov/government/commissions/city-planning-commission](http://www.detroitmi.gov/government/commissions/city-planning-commission)

**Detroit People's Platform**  
[www.detroitpeoplesplatform.org](http://www.detroitpeoplesplatform.org)

**Doing Development Differently in Metro Detroit (D4)**  
[www.metrodetroitd4.org](http://www.metrodetroitd4.org)  
(313) 986-1726

**Equitable Detroit Coalition**  
[www.facebook.com/equitabledetroit](http://www.facebook.com/equitabledetroit)

**Sugar Law Center for Economic and Social Justice**  
[www.sugarlaw.org](http://www.sugarlaw.org)  
(313) 993-4505

## PARKS AND PUBLIC SPACES



**City of Detroit: Parks and Recreation Department**

[www.detroitmi.gov/departments/parks-recreation](http://www.detroitmi.gov/departments/parks-recreation)  
(313) 224-1100

**Greening of Detroit**

[www.greeningofdetroit.com](http://www.greeningofdetroit.com)  
(313) 237-8733

## PUBLIC TRANSPORTATION



**Detroit Department of Transportation (DDOT)**

[www.detroitmi.gov/departments/detroit-department-transportation](http://www.detroitmi.gov/departments/detroit-department-transportation)  
(313) 933-1300

**Michigan Department of Transportation (MDOT)**

[www.michigan.gov/mdot](http://www.michigan.gov/mdot)  
(517) 241-240

## PHYSICAL ACCESSIBILITY



**City of Detroit: Buildings, Safety Engineering and Environmental Department**

[www.detroitmi.gov/departments/buildings-safety-engineering-and-environmental-department](http://www.detroitmi.gov/departments/buildings-safety-engineering-and-environmental-department)  
(313) 224-2733

**Civil Rights Division of the US Department of Justice**

[www.ADA.gov](http://www.ADA.gov)  
1 (800) 514-0301

## STATISTICS

  
**City of Detroit: Data Portal**

[www.data.detroitmi.gov](http://www.data.detroitmi.gov)

**Data Driven Detroit**

[www.datadrivendetroit.org](http://www.datadrivendetroit.org)

(313) 296-1440

**US Census**

[www.census.gov/data](http://www.census.gov/data)

## WORKFORCE DEVELOPMENT

  
**Detroit at Work**

[www.detroitatwork.com](http://www.detroitatwork.com)

(313) 962-9675

**Detroit Employment Solutions**

[www.descmiworks.com](http://www.descmiworks.com)

(313) 876-0674

# GLOSSARY OF TERMS

**AFFORDABLE HOUSING:** Housing, whether for rent, shared ownership, or outright purchase, provided at a cost considered affordable in relation to incomes that are average or below average, or in relation to the price of general market housing. Affordability is often determined by an area's median income (see area median income).

**APPRAISED VALUE:** The value of land as determined by a professional appraiser. Appraised value is often characterized as the value of the land at a particular point in time.

**AREA MEDIAN INCOME:** The median family income for the Detroit-Warren-Livonia Metropolitan Statistical Area, as published by the U.S. Bureau of Census and the U.S. Department of Housing and Urban Development. *(Refer to page 39)*

**BROWNFIELD LAND:** A Brownfield is a property that potentially exhibits a hazardous or pollutant substance that needs to be addressed before the property can be renovated or reused.

**BLIGHT REMOVAL:** The process of demolishing vacant, dangerous structures and/or aesthetically unappealing structures from a neighborhood.

**COMMUNITY BENEFITS:** Resources or amenities that are leveraged from a development project to achieve a larger social or economic equity aim. Examples may include:

- » Providing additional affordable housing units, or units with deeper affordability
- » Encouraging local, small, and/or entrepreneurs of color in commercial and retail spaces
- » Hiring local residents, women, people of color, low-income individuals, or other protected classes
- » Utilizing building techniques promoting greater environmental sustainability
- » Providing space for community, arts, or general public use

**CONSERVATION AREAS:** Areas of special architectural or historic interest, the character, appearance, or setting of which it is desirable to preserve or enhance; permitted development rights may be restricted in these areas.

**CENSUS TRACT:** A geographic region defined for the purpose of taking a census. Sometimes these coincide with the limits of cities, towns, or other administrative areas and several tracts commonly exist within a single county.

**COMMUNITY DEVELOPMENT ENTITIES (CDES):** A specially designated financial institution certified to make financial investments in low-income communities.

**DEPARTMENT OF CIVIL RIGHTS, INCLUSION, AND OPPORTUNITY (CRIO):** The department monitors and reports on the CBO process. It is CRIO's responsibility to ensure that developers follow through on their agreed upon commitments. *(Refer to page 24)*

**DEVELOPER:** The legal owner or representative of the parcel of land where the development is being proposed.

**DEVELOPMENT AGREEMENT:** A contract between a local jurisdiction and a person who owns or controls property within the jurisdiction, detailing the obligations of both parties and specifying the standards and conditions that will govern development of the property. *(Refer to page 30)*

**ENFORCEMENT COMMITTEE:** The committee led by the City's Corporation Council, consisting of representatives from the Planning and Development Department, Law Department, Human Rights Department, and others, that is responsible for determining whether a developer has complied with the final benefits agreement.

**ENVIRONMENTAL IMPACT ASSESSMENT:** A process for evaluating the likely environmental impacts of a proposed project or development that takes into account inter-related socio-economic, cultural, and human-health impacts.

**FIRST SOURCE / FIRST REVIEW HIRING:** A practice where an employer agrees to review qualified job applicants from an identified source, such as a local nonprofit organization working with a target population, before looking at job applicants from elsewhere. First Source Hiring can encourage the recruitment of certain types of employees (e.g. returning citizens) or from certain geographies (e.g. low-income census tracts).

**FOCUS GROUP:** A group of deliberately selected people who participate in a facilitated discussion to obtain perceptions about a particular topic or area of interest.

**GENTRIFICATION:** The process of redeveloping and reinvesting in a deteriorating area (such as an urban neighborhood) accompanied by an influx of middle-class or affluent people. This demographic shift and increase in property values often results in the displacement of existing, less affluent communities.

**GREEN BUILDING:** A resource-efficient method of construction that produces healthier buildings which have less impact on the environment and cost less to maintain. This sustainable approach to construction accounts for a building's entire life cycle: siting, design, construction, operation, maintenance, renovation, and demolition.

**IMPACT AREA:** An area determined by the Planning director that includes all census tracts or block groups where the proposed development is located. This can also include other areas at the discretion of the Planning Director.

**OPEN-ENDED QUESTION:** A survey question that is not multiple choice, but a blank box that allows the respondent to fill in whatever they choose. These types of questions are good for trying to identify new ideas or unknown variables. *(Refer to page 70)*

**PLANNING DIRECTOR:** The director of the City of Detroit's Planning and Development Department, or a member of the Planning and Development Department's staff working on the Director's behalf.

**PROCUREMENT:** The process by which a company or government acquires goods or services from external sources. For instance, if a private company needs to purchase copy paper for its xerox

machines, it will go through a process to purchase (or “procure”) that paper from a supplier. Some community benefit agreements have stipulated that developers must procure goods and services from local, women-owned, or minority-owned businesses.

**SUBSIDY:** A benefit given to an individual, business, or institution, usually by the government. The subsidy is typically given to remove some type of burden, and it is often considered to be in the overall interest of the public, given to promote a social good or an economic policy. *(Refer to page 42)*

**TARGETED RETAIL AMENITIES:** The term “retail amenities” often refers to stores or shops that will be built as a result of a development project. Some community benefits agreements can call for the developer to pursue types of stores that have been identified as “targets” to fill an important need in the community, such as a grocery store.

**TAX ABATEMENT:** Any reduction of an individual or corporation’s tax liability. The term commonly refers to tax incentives that attempt to promote investments that boost economic growth or provide other social benefits. *(Refer to page 10)*

**TAX CREDIT:** A government program that allows an eligible user to reduce the amount of money they owe on their taxes.

**TAX INCREMENT FINANCING:** Tax Increment Financing (TIF) is a financing and incentive mechanism often used to finance development projects. TIFs “capture” the incremental tax revenue (those increased tax dollars generated by this development) which are then used to reimburse the developer for eligible expenses. Once the TIF is terminated, the municipality then collects the full value of the improved property.

**TIER 1 DEVELOPMENT PROJECT:** Developments that are 1) valued at \$75 million or more and 2) receiving \$1 million or more in tax abatements or transfers of city owned land. These projects all trigger the CBO process.

**TIER 2 DEVELOPMENT PROJECT:** Developments that do not qualify as Tier 1 projects that are 1) valued at \$3 million or more and 2) receiving \$300,000 or more in tax abatements or transfers of city owned land.

# ACRONYMS

**ADA:** Americans with Disabilities Act

**AMI:** Area Median Income

**CBA:** Community Benefits Agreement

**CBO:** Detroit's Community Benefits Ordinance

**CDEs:** Community Development Entities

**CRIO:** Department of Civil Rights, Inclusion, and Opportunity

**D4:** Doing Development Differently in Metro Detroit

**DBRA:** Detroit Brownfield Redevelopment Authority

**DEGC:** The Detroit Economic Growth Corporation

**EGLE:** Michigan's Department of Environment, Great Lakes, and Energy

**EPA:** The federal Environmental Protection Agency

**IA:** Impact Area

**LIHTC:** Low Income Housing Tax Credit

**MIOSHA:** Michigan Occupational Safety Hazards Administration

**MOU:** Memos of Understanding

**NAC:** Neighborhood Advisory Council

**NMTCs:** New Market Tax Credits

**OPRA:** The Obsolete Property Rehabilitation Act

**PDD:** The City of Detroit Planning and Development Department

**RFP:** Request for Proposals

**TIF:** Tax Increment Financing





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in Metro Detroit (D4)**

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