SUMMARY

AN ORDINANCE to amend Chapter 14 of the 1984 Detroit City Code, Community Development, by adding Article XII, titled Community Benefits, which consists of Sections 14-12-1 through 14-12-5, to provide for the purpose and applicability of this article; to provide for definitions of terms used in this article; to require community engagement and community benefit for certain development projects seeking public support for investment above certain threshold levels; to provide for exemptions for applicability of the article, and to provide for enforcement of the article.
BY COUNCIL MEMBER

AN ORDINANCE to amend Chapter 14 of the 1984 Detroit City Code, Community Development, by adding Article XII, titled Community Benefits, which consists of Sections 14-12-1 through 14-12-5, to provide for the purpose and applicability of this article; to provide for definitions of terms used in this article; to require community engagement and community benefit for certain development projects seeking public support for investment above certain threshold levels; to provide for exemptions for applicability of the article, and to provide for enforcement of the article.

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:

CHAPTER 14. COMMUNITY DEVELOPMENT

ARTICLE XII. COMMUNITY BENEFITS

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 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.
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.

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

**Development Agreement.**

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.

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.
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 biennial compliance report to the City Council and the NAC for the time period identified in the Community Benefits Provision.

(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.

(g) Development projects that are allowed as by-right or conditional land uses under the Detroit Zoning Ordinance and located downtown, the area bounded by the Detroit River and the center lines of Brooklyn Avenue (extended), West Jefferson Avenue, Eighth Street, West Fort Street, Brooklyn Avenue, Porter Street, John C. Lodge Freeway (M-10), Fisher Freeway (I-75), Chrysler Freeway (I-375), East Jefferson, Rivard Street, Atwater Street, and Riopelle Street extended to the Detroit River do not qualify as Tier 1 Projects.
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.

Sec. 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 as to form:

[Signature]

Melvin B. Hollowell
Corporation Counsel