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 ORDEHED 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 comprised of representatives from 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 existing 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) or more (as determined by the City Assessor or independent appraisal), without open bidding and priced below market rates; or
(3) Abatement in an amount 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
(4) A method for addressing each of the following forms:

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:

Sec. 14-12-4. Tier 1 Projects.
(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:

Sec. 14-12-5. Tier 1 Projects.
(c) Community Benefits.
(1) In addition to the meeting required in Subsection (a)(1) of this section, the Planning Director shall hold 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 a determination on 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.
(4) 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:

Ordinance 35-16, page 1
(5) The Planning Director shall work with City Council to assure that, to the maximum 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.

(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.

Passed: November 8, 2016
Certified by the Board of County Canvassers: November 22, 2016
Published: November 29, 2016
Effective: November 29, 2016

JANICE M. WINFREY
Detroit City Clerk