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3 **May 16, 2014**

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1 **BY COUNCIL MEMBER BRENDA JONES**

2 **AN ORDINANCE** to amend Chapter 14 of the 1984 Detroit City Code, *Community*
3 *Development*, by adding Article XII, titled *Community Benefits*, which shall consist of Sections
4 14-12-1 through 14-12-15, to provide for the purpose and applicability of this article; to provide
5 for definitions of terms used in this article; to require Community Benefit Agreements for certain
6 development projects; to provide for utilization of Detroit Employment Solutions Corporation
7 for hiring, training, and employability of residents and displaced workers from Host
8 Communities; to provide for contracting of local businesses and Detroit-Based Businesses; to
9 ensure environmentally sound and sustainable practices throughout all phases of the project; to
10 provide for a Homeowner and Tenant Relocation programs; to provide for community safety
11 programs; to require negotiation, monitoring, and enforcement of Community Benefits
12 agreements; and to provide for exemptions for the requirement of entering into Community
13 Benefits agreements.

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1 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:**

2 **Section 1.** Chapter 14 of the 1984 Detroit City Code, *Community Development*, be amended by
3 adding Article XII, *Community Benefits*, which shall consist of Sections 14-12-1 through 14-12
4 9, to read as follows:

5 **CHAPTER 14. COMMUNITY DEVELOPMENT**

6 **ARTICLE XII. COMMUNITY BENEFITS**

7 **Sec. 14-12-1. Purpose; title.**

8 (a) The purpose of this article is to ensure that Community Benefits Agreements are
9 negotiated and entered into for certain large-scale development projects within the City of
10 Detroit.

11 (b) This article shall be known as the "Detroit Community Benefits Ordinance."

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

13 "City" means the City of Detroit, a municipal corporation, located in Wayne County,
14 Michigan.

15 "Community Benefits Agreement" or "CBA" means a legally enforceable contract
16 between a developer and a Host Community Representative that contains provisions as required
17 by this ordinance.

18 "Community Stakeholders" means community residents, schools, businesses,
19 organizations, and other entities that live and/or work in the host community who will be directly
20 impacted by the development.

21 Detroit-Based Business means, and includes, Detroit-Based Business, Detroit-Based
22 Micro Business Concern, Detroit-Based Small Business, and Detroit-Headquartered Business as

1 defined in Section 18-5-1 of this Code.

2 "Development Project" means a project that involves:

- 3 (a) the investment of more than \$3,000,000 during the construction of facilities, plant,
4 and/or structures or the investment of more than \$1,000,000 to begin operations; or
5 seeking grants; tax abatements;
6 (b) the transfer of city owned land parcels or other property without public bidding or
7 below market rates; or
8 (c) receives other forms of subsidies from the City that are cumulatively valued by
9 generally accepted accounting and financial practices at more than \$300,000, but
10 does not include Neighborhood Enterprise Zones.

11 "Displaced Residents" means persons who are legally occupying a home,
12 apartment, or other dwelling unit as their primary residence and the quality and
13 enjoyment of the residence is materially diminished by the project and/or project
14 activities.

15 "Displaced Workers" means persons whose primary place of employment is
16 within the Host Community and who are expected to lose employment as a result of
17 the physical displacement of their employer's place of business within the Host
18 Community.

19 "First Source Hiring Program" means a program facilitated by Detroit Employment
20 Solutions to manage the employment of targeted job applicants by Employers in the Development
21 Project for which a CBA is required.

22 "Host Community" means the community within a certain distance of the development
23 project. This distance shall be determined by the Community Advisory Council ("CAC") that

1 represents the area containing the development project. The CAC shall take into account the
2 following factors, both during construction and continuing operations, when determining
3 whether the host community is contained within a buffer of 750, 1,500, or 2,250 feet of the
4 development project:

5 (a) External emissions, such as noise, vibration, smoke, odor, noxious gas, dust, dirt,
6 glare, heat, or other discharge or emission;

7 (b) Truck traffic and the adequacy of access routes so as to minimize traffic
8 congestion and maximize safety in the transport of goods and materials to and from the
9 development project; and

10 (c) Separation/buffering from sensitive adjacent uses, such as residences, schools,
11 churches, hospitals, convalescent homes, childcare facilities, hotels or motels, public parks and
12 similar community facilities.

13 "Host Community Representative" means persons residing in, employed within, and/or
14 operating ongoing businesses or organizations located within the Host Community and shall be
15 one that has engaged residents and stakeholders and whose organizational purpose is to ensure
16 that the interests of Host Community residents, workers, businesses, and organizations are
17 recognized and protected during the planning, construction, and operational phases of the
18 economic develop project.

19 "LEED" means Leadership in Energy & Environmental Design, a green building
20 certification program that recognizes best-in-class building strategies and practices

21 "Local Business" means a business that is at least 51% owned by a resident of the Host
22 Community or that maintains a place of employment within the Host Community.

23 "Low-income Individual" means an individual whose household income is no greater

1 than 80% of the median household income for the City of Detroit.

2 “Project Developer” means the developer, owner, general contractor, or other person(s) or
3 entity(s) seeking grants, tax abatements, the transfer of city owned land parcels, or other property
4 to be used for a Development Project.

5 “Reasonably Comparable Living Space” means a house, condominium, or apartment with
6 approximately the same square footage and number of bedrooms as such resident’s dwelling unit
7 at the time of his or her displacement from the Host Community.

8 “Targeted Job Applicants” means individuals who are residents and Displaced Workers
9 from the Host Community; low-income individuals living within two miles of the project; and
10 low-income individuals residing throughout the City of Detroit.

11 **Sec. 14-12-3. Community Benefits Agreement Applicability.**

12 A Community Benefits Agreement shall be negotiated and executed between the Host
13 Community Representative and the Project Developer for any development project as defined in
14 Section 14-12-2 of this Article prior to the issuance of any project related grants, tax abatements,
15 transfers of city owned land or property, or other forms of subsidy are granted or awarded by the
16 City of Detroit. The Community Benefits Agreement shall include, but is not limited to,
17 provisions as set forth in Sec. 14-12-4 through 14-12-9 of this Article, unless otherwise agreed to
18 be waived or omitted by the parties.

19 **Sec. 14-12-4. Employment.**

20 Each Community Benefits Agreement shall include provisions for a First Source Hiring
21 Program to be administered with the assistance of the Detroit Employment Solutions Corporation
22 and, to the extent consistent with federal and state law, may include additional provisions to
23 promote the hiring, training, and employability of residents and displaced workers from the Host

1 Community.

2 **Sec. 14-12-5. First Source Hiring Program.**

3 The goal of the First Source Hiring Program is to facilitate the employment of Targeted
4 Job Applicants by Employers in the Development Project, by providing a pool of qualified job
5 applicants, through a non-exclusive referral system, whose job training has been specifically
6 tailored to the needs of employers in the project.

7 (a) The First Source Hiring Program shall apply to hiring by all project employers
8 during the site preparation, construction and operational phases of the Development Project,
9 except for job openings where hiring procedures are governed by a *bona fide* collective
10 bargaining agreement that conflicts with the First Source Hiring Program.

11 (b) Targeted Job Applicants include the following three categories of individuals. Job
12 referrals under the First Source Hiring Program shall be made in the order of priority set forth
13 below:

14 (1) First Priority: Residents from the Host Community and Displaced
15 Workers.

16 (2) Second Priority: Low-income Individuals living within two miles of the
17 project.

18 (3) Third Priority: Low-income Individuals residing throughout the City of
19 Detroit.

20 (c) The First Source Hiring Program shall include a job referral system. The Project
21 Developer and/or Host Community Representative shall engage Detroit Employment Solutions
22 to operate the First Source Hiring Program's job referral system. The First Source Hiring
23 Program's job referral system will:

- 1 (1) Receive employer notifications of job openings, promptly initiate
2 recruitment and pre-screening activities, and provide an estimate to
3 employers of the number of qualified applicants it is likely to refer.
- 4 (2) Coordinate with various job-training centers to facilitate access to a pool
5 of qualified applicants from which to draw referrals.
- 6 (3) Conduct outreach, screen, and refer Targeted Job Applicants according to
7 qualifications and specific selection criteria submitted by employers;
- 8 (4) Maintain contact with employers with respect to employers' hiring
9 decisions regarding applicants referred.
- 10 (5) Assist employers with reporting responsibilities by supplying reporting
11 forms and by other reasonable means.
- 12 (6) Assist the Host Community Representative and the Local Unit of
13 Government in monitoring compliance with the First Source Hiring
14 Program.
- 15 (7) Submit annual aggregate reports for all employers on the project that year
16 to the Host Community Representative and the Project Developer,
17 detailing the employment of Targeted Job Applicants and evaluating the
18 effectiveness of the First Source Hiring Program.
- 19 (8) Work collaboratively with the Project Developer, the Host Community
20 Representative, Targeted Job Applicants, job training centers, and the City
21 to administer the First Source Hiring Program's referral system effectively
22 and efficiently.

1 (d) No project employer or referred job candidate shall be required to pay a fee, cost
2 or expense to the First Source Hiring job referral system in connection with referrals.

3 (e) The First Source Hiring Program shall include a job notification policy. Under
4 the job notification policy, the policy shall require:

5 (1) At least five business days prior to notification of the general public or
6 recruiting by other means, project employers shall post project job openings to
7 and recruit Targeted Job Applicants from the First Source Hiring Program's
8 job referral system.

9 (2) After receiving notification of a project job opening, the First Source Hiring
10 Program's job referral system shall within five days, or a longer time frame
11 agreed to by the employer, refer one or more known Targeted Job Applicants
12 who meet the employer's qualifications.

13 (f) Exemptions.

14 A Project Developer shall be exempt from the requirements of this section under the
15 following conditions:

16 (1) The Project Developer and project employers have voluntarily entered into
17 private contracts or are otherwise required by law to employ Host Community residents who
18 total at least 30% of full and part-time workers on the project;

19 (2) The Project Developer and project employers have voluntarily entered into
20 private contracts or are otherwise required by law to ensure that 30% of the total work hours for
21 the project is performed by Host Community residents; or

22 (3) During such time periods when Project Developer and project employers
23 employ Host Community residents who total at least 30% of full and part-time workers on the

1 project or when 30% of the total work hours for the project is being performed by Host
2 Community residents.

3 **Sec. 14-12-6. Targeted Hiring Periods.**

4 (a) New Employer Targeted Hiring Period. When making initial hires for the
5 commencement of the project, an employer shall consider and hire only Targeted
6 Job applicants for a two week period following notification of job openings to the
7 job referral system as described above. After two weeks, the employer shall make
8 good-faith efforts to hire Targeted Job Applicants, but may consider and hire
9 applicants referred or recruited through any source.

10 (b) Established Employer Targeted Hiring Period. When making hires after the
11 commencement of the project, project employers shall consider and hire only
12 Targeted Job Applicants for a five-day period following notification of job
13 openings to the job referral system as described above. After five days, the
14 employer shall make good-faith efforts to hire Targeted Job Applicants, but may
15 consider and hire applicants referred or recruited through any source.

16 (c) During the targeted hiring periods described in subsections (a) and (b) above and
17 all times, project employers may hire Targeted Job Applicants recruited or
18 referred through any source. During such periods, the employer shall use normal
19 hiring practices to consider applicants referred by the First Source Hiring
20 Program.

21 **Sec. 14-12-7. Contracting.**

22 Each Community Benefits Agreement shall include a Contractor and Supplier Program
23 section to ensure access of Local Businesses and Detroit-Based Businesses to secure contracts

1 for the provision of goods and services utilized on the project and, to the extent consistent with
2 federal and state law, may include additional provisions to promote contracting and purchasing
3 from Locally Owned Businesses and Detroit-Based Businesses.

4 **(a) Contractor and Supplier Program.**

5 The Project Developer shall work with the Host Community Representative, the City, and
6 other relevant business advocacy and assistance organizations to initiate a program to increase
7 participation in site planning, construction, and operation of the project by Local Businesses and
8 Detroit-Based Businesses. A goal of this program will be the utilization of Local Businesses and
9 Detroit-Based Businesses as contractors and suppliers in site planning, construction, operations,
10 and all other phases of the project. This program shall include:

11 (1) Targeted outreach to Local Businesses and Detroit-Based Businesses and relevant
12 business organizations regarding contracting and supplier opportunities and
13 requirements on the project;

14 (2) Inclusion of Local Businesses and Detroit-Based Businesses and relevant business
15 organizations in pre-bid conferences;

16 (3) "Meet the _____ (Developer, Contractor, Etc.)" meetings for Host Community
17 small businesses, and Detroit-Based Businesses, and relevant business
18 organizations;

19 (4) Unbundling of construction work into bid sizes that will allow the utilization of Local
20 Businesses and Detroit-Based Businesses, without restricting project timelines;

21 (5) Assistance with access to bonding, insurance, procurement and other types of
22 capacity-related assistance where necessary and available;

1 (6) Utilization of a competitive and transparent procurement process for awarding
2 construction and professional service contracts on the project; and

3 (7) Development of policies and practices to ensure that there is no discrimination against
4 Local Businesses and Detroit-Based Businesses in selection of businesses to provide
5 goods or services related to the project.

6 **(b) Minimization of Impacts.**

7 The Contractor and Supplier program shall develop a plan to implement strategies and
8 practices to minimize adverse impacts and/or interruptions in the conducting of business and in
9 the operations of existing businesses and places of employment within the Host Community
10 during the period of construction.

11 **(c) Exemption.**

12 A Project Developer shall be exempt from the requirements of this section under the
13 following conditions:

14 (1) The Project Developer and other project contractors have voluntarily
15 entered into private contracts or are otherwise required by law, to let at
16 least 25% of the total value of all contracts associated with the project to
17 Local Businesses or Detroit-Based Businesses; or

18 (2) During such time periods when the Project Developer and other project
19 contractors have let at least 25% of the total value of all contracts
20 associated with the project to Local Businesses and Detroit-Based
21 Businesses.

1 **Sec. 14-12-8. Environment.**

2 Each Community Benefits Agreement shall include an Environmental Program with
3 provisions to ensure environmentally sound and sustainable practices throughout all phases of
4 the project, including but not limited to site preparation, construction and operations. The
5 environmental program shall include policies and practices that eliminate or, where elimination
6 is not technologically or economically feasible, mitigate the introduction or exacerbation of
7 environmental hazards within the Host Community. All reasonable efforts to mitigate
8 environmental hazards shall be employed on the project to ensure that the persons within the
9 Host Community and project workers are not exposed to such hazards.

10 **(a) Environmental Program.**

11 In consultation with Host Community Representative, the Project Developer shall
12 develop an Environmental Program with provisions that will enhance the safety, health, and
13 quality of life with the Host Community, including policies and practices that:

- 14 (1) Minimize impacts on existing historical and culturally significant buildings and sites
15 existing within the Host Community;
- 16 (2) Minimize impacts and seek to enhance improvements to and expansion of public
17 space within the Host Community;
- 18 (3) During planning, maximize opportunities for green building practices in the design of
19 facilities and structures and in the selection and use of materials;
- 20 (4) Preserve and seek to enhance air quality, water quality, and natural resources within
21 the Host Community;
- 22 (5) Implement energy conservation design, policies, and programs in all phases of the
23 project;

1 (6) Develop a traffic plan that will avoid truck traffic on residential streets and existing
2 retail thoroughfares to the maximum extent practical;

3 (7) Develop site preparation and construction policies and practices that incorporate
4 noise, dust, particulate, fumes, odor, diesel, runoff, pollutant, and other mitigation
5 strategies;

6 (8) Ensure that stockpiles of soil and trucks transporting soil and other materials to or
7 from the site shall be covered and contained; and

8 (9) Develop policies and practices for the management and removal of waste generated
9 during all phases of the project.

10 **(b) Exemptions.**

11 A Project Developer may request an exemption from the requirements of this section
12 under the following conditions:

13 (1) The Project Developer and project contractors have voluntarily entered into private
14 contracts, or are otherwise required by law, or have voluntarily agreed to condition
15 the receipt of any grants, tax abatements, transfers of city land or property or other
16 forms of subsidies from the City upon obtaining and maintaining applicable LEED
17 for Building Design and Construction, LEED for Interior Design and Construction,
18 LEED for Operations and Maintenance, and LEED for Neighborhood Development
19 certifications at a rating level of Silver or higher for all project facilities and
20 structures; and/or

21 (2) The Project Developer and project contractors have voluntarily entered into private
22 contracts, or are otherwise required by law, or have voluntarily agreed to condition
23 the receipt of any grants, tax abatements, transfers of city land or property or other

1 forms of subsidies from the City upon certification that all construction activities in
2 compliance with the International Code Council's current International Green
3 Building Code or the current version of ASHRAE Standard 189.1 – Standard for the
4 Design of High-Performance, Green Buildings.

5 **Sec. 14-12-9. Housing Relocation.**

6 Where applicable, each Community Benefits Agreement shall include a Homeowner and
7 Tenant Relocation Program that includes provisions to ensure the fair and equitable acquisition
8 of buildings by the developer used for residential housing properties within the Host Community.

9 **(a) Home Owner and Tenant Relocation Program.**

10 A Home Owner and Tenant Relocation Program shall include, but is not limited to,
11 provisions including:

- 12 (1) Requirements that all Displaced Residents receive 90 days advance notice of their
13 displacement by the project and/or project related activities;
- 14 (2) Reasonable compensation offered to Displaced Residents who are homeowners or
15 who otherwise own their apartment, condominium, or other dwelling unit;
- 16 (3) The payment of reasonable relocation expenses to Displaced Residents who rent or
17 otherwise lawfully occupy but do not own their primary residence;
- 18 (4) Displaced Residents who have lived in the Host Community for more than five
19 years prior to their displacement and where the project includes the construction of
20 residential dwellings shall have a right of first refusal on the purchase or lease of
21 any Reasonably Comparable Living Space, if available from among the newly
22 constructed dwellings; and

1 (5) Further relocation assistance to residents of any shelter or assisted living facility
2 that is closed or relocated due to the project into a comparable or better placement
3 within the Host Community or at another location within the City of Detroit or as
4 agreed to by the Displaced Resident.

5 **(b) Minimization of Impacts.**

6 In consultation with Host Community Representative, the Project Developer shall
7 develop a plan to implement strategies and practices to minimize adverse impacts on the quiet
8 use and enjoyment of property and dwellings of the Host Community residents during the course
9 of the project.

10 **(c) Exemptions.**

11 A Project Developer shall be exempt from the requirements of this section under the
12 following conditions:

13 (1) The Project Developer and/or other project contractors compensate owners in
14 compliance with the terms and conditions of Michigan's *Uniform Condemnation*
15 *Procedures Act*, MCL §§213.51 *et. seq.* for properties as if acquired by eminent
16 domain and shall pay just compensation to all other property owners whose
17 residences are acquired for use on the project;

18 (2) The Project Developer and/or project contractors have voluntarily entered into private
19 contracts or are otherwise required by law or have otherwise voluntarily agreed to
20 condition the receipt of any grants, tax abatements, transfers of city land or property
21 or other forms of subsidies from the City upon the payment of reasonable relocation
22 expenses for all Displaced Residents living within the Host Community;

- 1 (3) The Project Developer and/or project contractors have voluntarily entered into private
2 contracts or are otherwise required by law or have otherwise voluntarily agreed to
3 condition the receipt of any grants, tax abatements, transfers of city land or property
4 or other forms of subsidies from the City upon offering to long term Displaced
5 Residents a right of first refusal on the purchase or lease of any Reasonably
6 Comparable Living Space that is constructed during the course of the project; and
- 7 (4) Where Reasonably Comparable Living Space is not constructed during the course of
8 the project, the Project Developer and/or project contractors have voluntarily entered
9 into private contracts or are otherwise required by law or have otherwise voluntarily
10 agreed to condition the receipt of any grants, tax abatements, transfers of city land or
11 property or other forms of subsidies from the City upon offering to compensate long
12 term Displaced Residents in amount equal to the difference in any increased rent to
13 secure alternative Reasonably Comparable Living Space for a six month period
14 following their displacement.

15 **Sec. 14-12-10. Safety.**

16 Each Community Benefits Agreement may include a Community Safety Program that
17 includes efforts to improve the safety and security of the Host Community. The Community
18 Safety Program may include, but is not limited to, development of a comprehensive safety and
19 security plan, expansion and enhancement of existing secondary policing programs, installation
20 and maintenance of emergency call boxes within the Host Community, and enhanced lighting in
21 a project area.

22 **Sec. 14-12-11. Negotiations, Monitoring, And Enforcement.**

1 The Project Developer and Host Community Representative shall negotiate in good faith
2 to reach a Community Benefits Agreement required under this ordinance, which shall contain
3 provisions that require periodic reporting, the frequency to be determined by the parties, of
4 activities and ongoing monitoring of compliance by the parties throughout the course of the
5 project.

6 The Community Benefits Agreement shall contain provisions that require the parties to
7 periodically report, the frequency to be determined by the parties, and disclose the parties'
8 activities and the status of compliance to Host Community residents and that require periodic
9 public meetings with the opportunity for input and comments by Host Community stakeholders;
10 furthermore, each Community Benefits Agreement shall be a binding contract enforceable under
11 the laws of the State of Michigan, unless otherwise agreed to by the parties to the Agreement.

12 **Sec. 14-12-12. Requests For Exemptions.**

13 The Project Developer may request, from the City Council, an exemption from the
14 requirement of entering a Community Benefits Agreement where it can demonstrate:

- 15 (1) The infeasibility or impracticality of identifying a Host Community Representative to
16 negotiate with on behalf of the Host Community; or
17 (2) That good faith negotiations have occurred for a period lasting no less than six
18 months and negotiations have, in good faith, reached an intractable impasse; or
19 (3) Other exigencies that make entering a Community Benefits Agreement grossly
20 infeasible or highly impractical.

21 To request an exemption, the Project Developer shall set forth in writing the basis of its
22 request and document how it will otherwise seek to implement Sections 14-12-4 through 14-12-9
23 of this ordinance in the absence of a Community Benefits Agreement. These documents shall be

1 submitted to the City Planning and Development Department, which shall then convey the same
2 to the Detroit City Council within seven days of receipt. City Council has sole discretion to
3 grant or deny an exemption request and may condition an exemption upon terms and conditions
4 that, in its sole discretion, City Council finds just and reasonable.

5 **Secs. 14-12-13 to 14-12-15. Reserved.**

6 **Section 2.** This ordinance is hereby declared necessary to preserve the public peace,
7 health, safety, and welfare of the People of the City of Detroit.

8 **Section 3.** All ordinances, or parts of ordinances, that conflict with this ordinance are
9 repealed.

10 **Section 4.** In the event this ordinance is passed by two-thirds (2/3) majority of City
11 Council Member serving, it shall be given immediate effect and become effective upon
12 publication in accordance with Section 4-118 of the 2012 Detroit City Charter. Where this
13 ordinance is passed by less than a two-thirds (2/3) majority of City Council Members serving, it
14 shall become effective on the thirtieth (30) day after enactment, or on the first business day
15 thereafter, in accordance with Section 4-118 of the 2012 Detroit City Charter.

16 Approved as to form:

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20 _____
21 Melvin Hollowell
22 Corporation Counsel

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