



WORKING PAPER

Detroit’s Community Benefits Ordinance: Lessons learned about the community engagement process and its outcomes

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CONTENTS

- Executive summary 1
- Introduction 3
- Methodology 4
- Situating Detroit’s CBO within its political economy..... 5
- The campaign for a community benefits ordinance 6
- How does the Detroit CBO work? 7
- Key challenges and concerns 11
- Recommendations..... 14
- Conclusion..... 20
- Appendices 20
- Endnotes..... 23
- References..... 25
- Acknowledgments 32
- About the authors..... 32

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EXECUTIVE SUMMARY

Highlights

- Detroit’s first-of-its-kind Community Benefits Ordinance (CBO) offers lessons for governments, developers, community organizations, and others planning or already undertaking a community benefits process.
- A set of stakeholder interviews and a literature review of CBO documents, CBO meeting recordings, scholarly articles, and print media revealed that Detroit’s CBO has started to level the playing field between communities and developers by giving community members a seat at the table in conversations on development.
- However, a CBO is not a silver bullet for addressing decades of disinvestment, austerity, and racial and economic inequality in Detroit and elsewhere, and interviewees from community-based organizations and neighborhood advisory councils (NACs) voiced several concerns about the CBO’s community engagement and benefits agreement processes and outcomes. Many of these concerns have been corroborated by the literature review.
- To strengthen Detroit’s CBO and provide for equitable economic development and a just energy transition, we recommend sufficiently resourcing communities to negotiate with developers, building representative coalitions, ensuring that agreements have robust monitoring and enforcement mechanisms to hold developers accountable, incorporating environmental justice and racial equity frameworks to assess project impacts and benefits delivery, and undertaking analysis of public ownership of key infrastructure projects to serve the public good.

Background

In 2016, Detroit adopted the first community benefits ordinance in a major US city to secure benefits for local communities from “high-impact” development projects (City of Detroit 2024a). The ordinance requires developers of projects investing more than US\$75 million, and receiving significant subsidies from the City, to negotiate additional benefits for the communities where a project is to be sited. Nearly a decade later, Detroit’s experience can provide valuable insights for communities and policymakers searching for effective strategies to conduct meaningful community engagement and share benefits with local communities to advance an equitable energy transition.

About this working paper

This paper explores Detroit’s CBO, situating the ordinance in its political economy and examining some of its successes, shortcomings, and lessons learned. The paper only gathers the experience of local communities with Detroit’s CBO, rather than developers’, and includes interviews with representatives from community-based organizations, members of neighborhood advisory councils (NACs) for different projects, and some city officials (City of Detroit 2024a; Appendix A). Stakeholder interviews were complemented with a literature review of the City’s CBO documents, CBO meeting recordings, scholarly articles, and print media.

Table ES-1 | **List of key recommendations**

RECOMMENDATIONS TO IMPROVE DETROIT’S CBO	GENERALIZABLE RECOMMENDATIONS BEYOND DETROIT
<ul style="list-style-type: none"> • Expand the number of NAC members elected by the community from 2 to at least 5 members out of 9. • Conduct detailed civic engagement to build awareness about the ordinance and NAC selection process. • Conduct further analysis to determine an appropriate investment threshold that triggers the CBO process. • Share all necessary information with NAC members well in advance of the NAC beginning its negotiations with the developer. • Ensure that NAC members are educated on types of potential benefits and empowered to negotiate for meaningful community benefits. • Compensate NAC members for time served on a NAC. • Include a neutral third-party mediator or facilitator selected by and accountable to the NAC. • Provide legal aid and expertise to NACs to successfully negotiate with developers. • Extend the timeline of the CBO negotiation process to give the NAC enough time to fully understand the project and its impacts, communicate with residents in the impact area, and negotiate with the developer. 	<p>Ensure that benefits agreements are negotiated with stakeholders who are representative of the local community.</p> <p>Provide communities with sufficient resources and education to level the playing field between community members and developers.</p>
<ul style="list-style-type: none"> • Create a community benefit fund for NACs and community members to consult legal experts who specialize in contract law and community agreements. • Improve the monitoring and reporting aspects of the CBO, including bolstering CRIO’s capacity to monitor and enforce agreements. • Refrain from providing taxpayer subsidies through the CBO process to developers that have a history of violating or failing to comply with environmental, labor, and other laws. 	<p>Ensure that the community benefits ordinance and other community benefits frameworks are equipped with strong monitoring, enforcement, and transparency mechanisms.</p>
<ul style="list-style-type: none"> • Conduct community impact assessments to analyze existing environmental and socioeconomic burdens that the CBO process could address. 	<p>Adopt environmental justice and racial equity frameworks to assess project impacts and identify community benefits.</p>
<ul style="list-style-type: none"> • Undertake analysis of different pathways to community ownership of development projects in Detroit. 	<p>Consider further analysis of the role of partial or full community ownership of key infrastructure projects within community benefits frameworks.</p>

Notes: CBO: community benefits ordinance; CRIO: Civil Rights, Inclusion, and Opportunity Department ; NAC = neighborhood advisory council.

Source: Authors.

Key findings

Interviewees recognized that the CBO has given communities a seat at the table regarding large urban development projects in Detroit. However, they voiced concerns that the key bodies representing the community for each project—the NACs—are underresourced and their member selection process does not lead to NACs sufficiently representing the impacted communities. The interviewees' perspective, moreover, is that negotiated community benefits have not been proportional to the size of the investment, subsidies, or neighborhood impact of projects, although no quantitative systematic analyses were available to document this. Community members also pointed out that many projects with significant community impacts haven't triggered the CBO process, either because of its high investment threshold or because of the requirement that projects receive city government subsidies. Finally, although city government data show that most projects are in compliance with their obligations under their community benefits agreement (CBA), and that projects in noncompliance have course-corrected soon after receiving notice from the monitoring agency, several interviewees mentioned a lack of effective monitoring and enforcement mechanisms to ensure that developers are always in compliance with negotiated project agreements. Researchers, such as Berglund (2020) and Gargaro (2023), as well as various news articles, have reached similar conclusions regarding the process and outcomes of Detroit's CBO.

Recommendations

Detroit's CBO must be understood as just one tool aimed at addressing decades of disinvestment, austerity, and racial and economic inequality in Detroit and across the United States. At the same time, Detroit's experience can provide valuable insight for a growing number of jurisdictions that are exploring the adoption of a CBO to deliver community benefits as a negotiated package linked to large-scale projects. This working paper offers a series of recommendations that other jurisdictions should consider when designing a CBO, as well as ideas for the City of Detroit to analyze, while gathering additional evidence and other stakeholders' perspectives, to strengthen its CBO process and outcomes. Many of the generalizable recommendations listed in Table ES-1 also apply to other models of delivering benefits to local communities from large-scale projects, including community benefits agreements, host community agreements, and community workforce agreements.

INTRODUCTION

In 2016, Detroit became the first major city to adopt a community benefits ordinance (CBO), with the goal of securing benefits for local communities from high-impact development projects and addressing negative project impacts (City of Detroit 2024a). Detroit's CBO applies to projects valued at \$75 million or more that receive *either* \$1 million or more in property tax abatement *or* a City-held land sale or transfer valued at \$1 million or more.

Detroit's CBO can be a powerful tool to advance equitable economic development in a city burdened by racial and economic disparities. The city's population is 78 percent Black. However, over the last decade, the median income of white Detroiters rose 60 percent, compared to just 8 percent for Black Detroiters, adjusted for inflation in 2019 dollars (Lynch et al. 2021). Black Detroiters also have an unemployment rate 1.5 times that of their white and Hispanic counterparts (Lynch et al. 2021). Other legacies of Detroit's long history of structural racism and environmental injustice include high rates of lead exposure and one of the highest asthma rates in the country (Shkempi et al. 2022; Gargaro 2023).

Since voters approved the ordinance through a ballot initiative, Detroit residents have secured some clear benefits, including affordable rental units, local hire guarantees, investments in workforce training programs, and the provision of infrastructure such as public parks, basketball courts, and community resource centers ("Community Benefits List" 2018). However, almost a decade later, questions remain about how the CBO is working in general.

Detroit's CBO offers lessons for cities and municipalities looking to adopt a similar ordinance as well as other models of delivering community benefits, including community benefits agreements (CBAs), host community agreements (HCAs), and community workforce agreements (CWAs) (Appendix B). While differences exist among these models, all of them focus on distributing the benefits of new development projects to historically marginalized and underresourced communities through robust community engagement processes.

Beyond Detroit, only a few cities, including Cleveland in 2023, have adopted a CBO (City of Cleveland n.d.). However, a growing number of localities are exploring CBOs for their jurisdictions, including the Unified Government of Wyandotte County and Kansas City, Kansas; St. Petersburg, Florida; Sacramento, California; St. Louis, Missouri; Philadelphia, Pennsylvania; and Denton, Texas (Unified Government of Wyandotte County and Kansas City 2023; City of St.

Petersburg n.d.; City of Sacramento n.d.; WEPOWER 2023; City of Philadelphia 2019; McPhate 2024). CBAs, which are legally enforceable contracts between a project developer and a coalition of community groups where the developer agrees to provide local community benefits in exchange for the coalition's support of the project, are also being used across the country to advance clean energy development (Hoff and Segal 2023; Lavine et al. 2023).

Detroit's experience is especially timely as investments made under the 2021 Bipartisan Infrastructure Law (BIL) and the 2022 Inflation Reduction Act (IRA) have created a once-in-a-lifetime opportunity to achieve the nation's climate goals while also ensuring that the energy transition does not leave workers and local communities behind. Currently, federal agencies are requiring or encouraging applicants to incorporate best practices from the national CBA movement into their project proposals. The Department of Energy (DOE), for instance, is requiring applicants for competitive grants under the BIL and IRA to develop community benefits plans (CBPs). These nonbinding agreements between developers, the DOE, and community stakeholders are designed to encourage the delivery of local benefits as part of federally funded projects (US Department of Energy n.d.b). These plans are worth 20 percent of an application's overall score, with higher scores indicating stronger applications that are more likely to receive funding (Executive Office of the President 2021).¹

The current attention community benefits frameworks are receiving creates an enormous opportunity to transform the way we do economic development projects, including clean energy projects. However, more work needs to be done to deliver on these ambitions.

To that end, this working paper assesses Detroit's CBO, focusing on two key areas: the process by which community engagement takes place (i.e., who participates, who is left out, and how communities are defined); and the outcomes of the community benefits ordinance process (i.e., how benefits are agreed upon, who receives benefits, how community needs are determined, and how benefits are monitored and enforced). This analysis aims to highlight ways to improve *procedural justice*, making and implementing decisions according to a fair process, and *distributive justice*, fair distribution of benefits and burdens of projects, in the design and implementation of economic development projects, with a particular focus on Detroit.

METHODOLOGY

This working paper was informed by a literature review, including a review of the City's various CBO documents, websites, public meeting recordings, scholarly articles, and print media. Our analysis of public meeting recordings focused on the Future of Health project, where we watched the recordings of all nine meetings to better understand how CBO meetings are organized, the role of neighborhood advisory council (NAC) members, and concerns brought up by project area residents. The review of scholarly articles included a handful of articles focused on Detroit's CBO as well as the extensive literature on community benefits frameworks, especially on community benefits agreements. Semistructured stakeholder interviews with people who participated in both finalized and ongoing projects, including city officials, NAC members, and representatives from community-based organizations, complemented the literature review (City of Detroit 2024a; Appendix A).

This case study focuses on local communities' experiences and challenges, rather than on developer perspectives, although one interviewee was both a NAC member and a developer.

Interviews followed a question guide (Appendix C) developed by World Resources Institute (WRI) and Data for Progress (DFP), which gave interviews a common structure while allowing for conversations to flow based on the topics brought up by each interviewee. WRI and DFP designed questions to probe into the structure, process, and outcomes of the Detroit CBO, given the level of knowledge and expertise of interviewees as well as the specificity of the city-level unit of analysis (Kallio et al. 2016).

Interviewees were selected based on their experience with Detroit's CBO and to ensure a representative and diverse set of perspectives. Between February and May 2024, a total of seven interviews were conducted with city officials, community members, and community or labor organization representatives. Five of the seven interviewees served on a NAC, two worked in city government, and two worked for community or labor organizations.² All seven interviews were conducted over Zoom, recorded, and transcribed. Researchers then identified key themes across interviews, including barriers to successful and equitable CBO implementation, and recommendations for improving the CBO.

The research team identified challenges with the CBO process and developed recommendations for improving the ordinance based on interviewee responses, an analysis of the literature on community benefits and Detroit's CBO, and conversations with experts working at the intersection of community benefits and economic development.

This paper focuses only on the City of Detroit. While it provides useful insights, governments, developers, and those reviewing similar ordinances elsewhere must carefully consider local contexts and needs. In addition, this study was limited to interviews with seven stakeholders; more interviews likely would yield a greater diversity of perspectives on and experiences with the CBO. More interviews could also allow for increased representation of developers, as well as impacted community members who haven't been directly involved in the CBO by serving on a NAC. This paper provides an overarching view of Detroit's CBO instead of zooming in on one or two specific project agreements. In-depth studies of individual agreements could yield additional findings. Finally, this study does not investigate the macro-level economic and social impacts of the City's CBO on the lives of its residents. Future analysis can examine the CBO's impact by comparing communities before and after the CBO's implementation.

SITUATING DETROIT'S CBO WITHIN ITS POLITICAL ECONOMY

To understand Detroit's CBO, it is important to consider the city's history and its economic and social legacy. Detroit's past is steeped in discriminatory and predatory policies that encouraged "white flight" from Metro Detroit to the surrounding suburbs. Between 1945 and 1980, the exodus of white residents shrank Detroit's tax base and relocated businesses, including much of the city's manufacturing base, to the suburbs, ultimately leading the City of Detroit to declare bankruptcy in 2013 (Thompson 1999; Coleman 2023).

The automobile industry fueled the city's rise. By 1950, Detroit was the fourth-largest city in the country, as people moved there to work for Ford, General Motors (GM), and Chrysler (now Stellantis)—known as the "Big Three" automakers (Padnani 2013). By 1965, the Big Three accounted for 90 percent of US vehicle sales, enabling Detroit to enjoy a manufacturing boom (Haskins and Brachman 2024; Perry 2019).

Starting in the 1970s, however, a series of blows weakened Detroit's economic might. The 1970s oil embargo popularized smaller, more fuel-efficient foreign-made cars. The 1970s also brought the decentralization of the industry, and auto companies moved, first from Metro Detroit to the suburbs, then to the US South and other parts of the Midwest, and eventually overseas in search of cheaper labor and land (Haskins and Brachman

2024). The Great Recession of 2008–9 took a further toll, leading to the government bailout of GM and Chrysler in 2008 (Klier and Rubenstein 2012).

As auto jobs moved elsewhere, and middle-class whites fled to the suburbs, Detroit's economic, social, and demographic profile began to change. The city's population declined by 60 percent between 1950 and 2010, and its poverty rate more than doubled, increasing from 15 percent in 1970 to more than 30 percent in 2010 (Haskins and Brachman 2024). In 1950, Detroit's population was 16 percent Black, and in 2010 that share had grown to 83 percent (Haskins and Brachman 2024; Padnani 2013). With a deteriorating tax base hampering the City's ability to support public schools, public safety, and other public services and infrastructure, Detroit filed the largest municipal bankruptcy in US history in 2013 (Kurtzleben 2014).

Detroit also has a long history of toxic environmental exposures and environmental injustice, with those living in historically redlined neighborhoods disproportionately exposed to environmental pollutants and health risks (Shkembi et al. 2022; Tazi 2023).³ Redlining led to generations of injustice, where Black and Brown neighborhoods systematically received less investment and development and fewer resources than white and wealthy neighborhoods, leading to environmental, health, social, and economic disparities that persist to this day.

Against this backdrop, a group of community leaders from across the city started to mobilize and explore the use of CBAs in Detroit in 2010 (Gargaro 2023). At the time, CBAs had already been used by community organizations across the United States to negotiate with developers, particularly under the so-called stadium model, which refers to several large-scale urban projects that were subject to some of the earliest CBAs in the late 1990s and early 2000s (Salkin and Levine 2008).

Detroit community leaders were interested in how CBAs could rectify an economic development paradigm that allowed developers to receive public subsidies in the name of promoting economic growth, while public services remained underfunded and public benefits from subsidized development projects were murky (Jackman 2016; Kravetz 2019). This pattern of development was especially evident after Detroit declared bankruptcy in 2013. The City cut back on public services, including basic police, fire, and emergency medical services, but continued to offer generous tax subsidies to incentivize private development projects downtown (Gargaro 2023; Turbeville 2013). CBAs were thus seen as a tool to strengthen the negotiating power of local communities with developers receiving public subsidies.

THE CAMPAIGN FOR A COMMUNITY BENEFITS ORDINANCE

In January 2014, a coalition of community leaders and attorneys from the nonprofit Sugar Law Center convened the Equitable Detroit Coalition, which worked for the next two years to advance a CBO campaign (Gargaro 2023; Kravetz 2019). The coalition developed a statutory language for a citywide ordinance and broadened its campaign to organize the broader Detroit community. This inspired local campaigns by neighborhood groups seeking community benefits from developers and projects already active in their neighborhoods. For instance, the coalition supported the Northwest Neighborhood Community Benefits Consortium as it engaged with Meijer Corporation to obtain local jobs and historic preservation as part of a new supermarket built in the area (Kravetz 2019; Gardner 2016).

After initial momentum, the CBO coalition faced headwinds, including opposition from state legislators and city council members aligned with Detroit’s business community (Lawler 2015; Kravetz 2019).⁴ As a result, in March 2016, Equitable Detroit decided to abandon the legislative process in favor of a ballot initiative.⁵ As the November 2016 election approached, the campaign for a CBO fractured (Belongie and Silverman 2018). Two competing versions of a CBO were put forward for a vote (Table 1). Proposal A was led by Equitable Detroit and would have required development projects of \$15 million or more that receive \$300,000 or more in tax incentives to enter a legally binding CBA with a representative group of residents, businesses, and nonprofit organizations within the host community of a project. Proposal B, led by the city council, included requirements that were significantly less stringent and was presented as a less onerous alternative. Proposal B received the backing of Detroit’s then mayor and the business community.

Table 1 | Key differences between competing proposals for Detroit’s Community Benefits Ordinance

KEY CHARACTERISTICS	PROPOSAL A	PROPOSAL B
Proposal lead	Equitable Detroit Coalition	Detroit City Council
Projects qualifying for the CBO process	Projects valued at \$15 million or more and receiving \$300,000 or more in tax incentives.	Projects that are valued at \$75 million or more and receive either \$1 million or more in property tax abatement or \$1 million or more in value of a City-held land sale or transfer.
Community representatives in CBO negotiations	A representative group of residents, businesses, and nonprofit organizations within the host community, defined as the entire census tract within the city impacted by a project.	A 9-member neighborhood advisory council generally composed of people within the impact area, defined as census tracts or census block groups where Tier 1 projects are located.
Selection of the NAC and the role of the city council	The city council calls the first meeting but is not involved in negotiation after that point to allow an independent coalition (as outlined above) to directly negotiate with the developer.	The city council calls the first meeting and appoints members of the NAC (except for 2 members elected by residents of the development impact area) and presides over future meetings of the NAC.
Enforcement of agreements	The community and the developer negotiate a legal agreement, with the city council able to deny, terminate, or withdraw public support if the developer fails to comply with the agreement.	The neighborhood advisory council gathers and reports violations to an enforcement committee, composed of representatives from the Planning and Development, Law, and other relevant City departments, which investigates the violation and drafts a plan to enforce the agreement and mitigate violations. The city council, as a last resort, can impose penalties and take punitive action.

Notes: CBO = community benefits ordinance; NAC = neighborhood advisory council.

Source: Authors.

Ultimately, 53 percent of Detroit’s voters supported Proposal B, while 46 percent voted for Proposal A. In 2016, Proposal B officially became Detroit’s “Community Benefits Ordinance.”

Since the CBO’s inception, Detroit’s community organizations and leaders have been advocating to improve it (Frank 2021). Despite signs of an economic resurgence, Detroit continues to face systemic challenges rooted in its history of racial discrimination and segregation. Detroit remains a majority Black city, home to a population that is 78 percent Black. In contrast, the broader Detroit metropolitan area is only 23 percent Black, making Detroit the most segregated city in the country (Lichter et al. 2023). Detroit’s unemployment remains above the national average, and 31 percent of its population lives below the poverty line (Lynch et al. 2021). Historically redlined neighborhoods in Detroit continue to experience significantly higher environmental hazards—like higher exposure to diesel particulate matter, larger traffic volumes, and more road noise—than nonredlined neighborhoods (Shkembi et al. 2022).

HOW DOES THE DETROIT CBO WORK?

Detroit’s CBO applies to Tier 1 projects that are \$75 million or more in value and receive either \$1 million or more in property tax abatement or a City-held land sale or transfer valued at \$1 million or more. Negotiations are arranged by the City’s Planning and Development Department (PDD) and take place between a nine-member neighborhood advisory council and a developer.⁶

When the CBO process is triggered, the PDD analyzes the project, determines the project’s “impact area,” and sends a public meeting notice to residents of the impact area.⁷ The impact area includes all census tracts or census block groups in which a project is located (*Detroit, Michigan: Code of Ordinances* n.d., Ch. 12, Article VIII, Sec. 12-8-2).

Figure 1 | **Composition of a project’s neighborhood advisory council**



Source: City of Detroit 2024a.

Table 2 | Number and duration of public meetings held for projects negotiated as part of Detroit’s Community Benefits Ordinance

PROJECT	# OF MEETINGS HELD FOR NAC MEMBER SELECTION AND BENEFITS NEGOTIATION	DURATION OF MEETINGS
Herman Kiefer	7	March 9, 2017–April 30, 2019
Pistons	4	March 20–April 27, 2017
Wigle Midtown West	7	May 23, 2017–April 9, 2018
Detroit Free Press Rehabilitation	4	June 5–July 6, 2017
Book Building and Tower and Monroe Blocks	6	August 21–October 12, 2017
Hudson	6	September 18–October 30, 2017
Lafayette West	6	July 3–August 21, 2018
Michigan Central Station Development	8	July 16–September 24, 2018
Fiat Chrysler Jefferson North Assembly Plant Expansion	8	March 13–April 24, 2019
The Mid	5	April 16–June 4, 2019
Michigan and Church Street	6	March 11–May 13, 2021
Fisher Body 21	9	April 12–June 14, 2022
District Detroit	9	November 29, 2022–February 21, 2023
Future of Health	9	October 3–December 12, 2023
Hotel Water Square	7	January 9–February 27, 2024

Notes: CBO = community benefits ordinance; NAC = neighborhood advisory council. The projects are listed in order of when the first meeting took place. The Cass and York, Lot 1, and Fisher Building CBO was not included in the table because the scope of the project changed and it no longer qualified as a Tier 1 development under Detroit’s CBO.

Source: Authors’ analysis of CBO engagement process, obtained from <https://detroitmi.gov/departments/planning-and-development-department/community-benefits-ordinance#Past-CBO>.

According to the City’s website, 11 projects have finished the CBO process, and 4 projects are currently going through it (City of Detroit 2024a). A 12th project—Cass and York, Lot 1, and Fisher Building—changed in scope and no longer qualified as a Tier 1 project (“Cass and York, Lot 1, and Fisher Building” n.d.).⁸ Appendix D provides a description of these projects.

Neighborhood advisory council selection and benefits negotiation

The NAC selection process happens over the course of two meetings. In the first meeting, the project is introduced and the CBO process is explained, with presentations from both City officials and the developer.⁹ The planning director also gathers nominations for the NAC from any impact area resident present. To be eligible, nominees must be residents of the impacted

area and over the age of 18. Those nominated and interested in serving on a NAC must attend the second meeting in person, where they address fellow residents and make a case for their participation in the NAC.

Of the nominees, two members are elected by residents of the impact area, four are selected by PDD, two members are selected by at-large city council members, and one is selected by the city council member with the largest portion of the project in their district (Figure 1) (*Detroit, Michigan: Code of Ordinances*, n.d., Ch. 12, Article VIII, Sec. 12-8-3). After impact area residents elect two NAC members at the second meeting, the city council and PDD make their NAC selections from the remaining pool of nominees not elected by impact area residents.¹⁰

The NAC is different for every project. For the most part, NAC members have not participated in more than one NAC. Across 16 projects, six individuals served on two different NACs and one person served on three NACs.¹¹

Once the NAC is formed, the City organizes a few more meetings where NAC members meet with PDD, the developer, and the community to identify project impacts and develop suggestions to address those impacts.¹² NAC members also negotiate with the developer over community benefits. The NAC proposes a list of desired community benefits. The developer then agrees, rejects (with reasons provided), or suggests modifications to each requested benefit. Negotiations continue during each meeting until an agreement is reached (Berglund 2020; Gargaro 2023). The total number of meetings dedicated to this part of the process can vary.

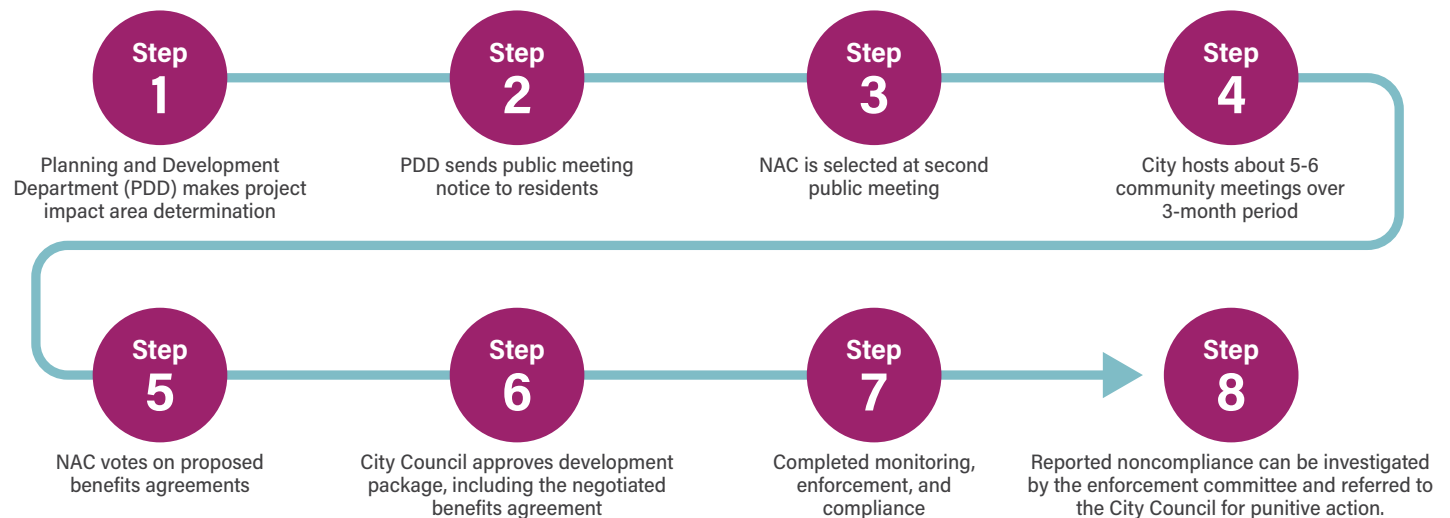
The entire process—from NAC member selection to community benefits negotiation—typically happens over two to three months, with meetings often occurring weekly. For the 15 projects that have triggered the CBO process, the City has organized anywhere from four to nine public meetings, with the more recent projects holding a larger number of public meetings (Table 2).¹³ NAC members can also hold additional meetings among themselves to further discuss the project and its implications. These additional meetings have also occurred for the more recent projects. This suggests that as more projects are

negotiated, City staff and NAC members are learning from past projects by including more public meetings and additional NAC member meetings to supplement the NAC process.

The City of Detroit's director of planning and development serves as a neutral facilitator during the negotiation process, although some interviewees believe the City is biased in favor of developers. One NAC interviewee said, "You know, the City convenes these NACs, and they pretend to be a neutral facilitator. But they're actually very much on the side of the developer" (interview with a NAC member, March 18, 2024). Given this perception, along with several studies that note the tendency for local governments to be biased toward developers (Berglund 2020; Wolf-Powers 2010), the role of the planning director as a neutral facilitator should be reexamined.

After the NAC votes on a proposed set of benefits, the entire development package, including the negotiated community benefits agreement, goes to the city council for approval. If approved, the agreement is incorporated as a "community benefits provision" within the larger development agreement between the City and the developer. Under Detroit's CBO, developers enter into a formal agreement with the city, unlike a traditional CBA, where negotiations culminate in an agreement between developers and community members. After an agreement is formalized, PDD holds annual public update meetings with the NAC and developer, at least for the first two years of the project. Figure 2 provides an overview of the various steps involved in the CBO process.

Figure 2 | Overview of Detroit's Community Benefits Ordinance process



Notes: NAC = neighborhood advisory council; PDD = Planning and Development Department.
Source: Authors, based on City of Detroit 2024a.

Monitoring and enforcement

Detroit’s Civil Rights, Inclusion, and Opportunity Department (CRIO) monitors the projects subject to the CBO. CRIO sends developers a biannual CBO status request letter and mandatory reporting form, requiring the developer to provide updates on its commitments. If projects aren’t hitting targets, CRIO labels the provision “off track” in its biannual community benefits report, notifies the company of noncompliance, and provides the company with an opportunity to address the issue. These reports are shared with the respective NAC and the city council and are made available on the City’s website (“Community Benefits Ordinance Documents” n.d.).

Developers’ failure to fulfill their commitments can also be investigated by CRIO’s enforcement committee, which is composed of city officials and one NAC representative (who does not have voting power within the committee). The NAC can collect complaints from community members and report them to the enforcement committee, or request that the committee investigate alleged violations. If the enforcement committee finds a developer to indeed be in noncompliance, the committee must draft a plan to enforce the project agreement and mitigate violations. Once an investigation is complete, the committee presents its findings to the NAC, developer, and complainant.

CRIO and its enforcement committee, however, are not authorized by the ordinance to issue any fines or injunctions when commitments are not being met by developers but rather are

Table 3 | Key benefits negotiated via Detroit’s Community Benefits Ordinance

BENEFITS INCLUDED	FREE PRESS ^a	HERMAN KIEFER ^b	HUDSON ^c	LAFAYETTE WEST ^d	PISTONS ^e	WIGLE: MIDTOWN WEST ^f	BOOK BUILDING, TOWER, & MONROE BLOCKS ^g	THE MID ^h	CENTRAL STATION ⁱ	MICHIGAN & CHURCH STREET ^j	JEFFERSON NORTH ^k
Community funding			✓	✓	✓				✓	✓	✓
Jobs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Education/training	✓	✓	✓		✓				✓		✓
Affordable housing	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Green space				✓	✓	✓	✓	✓			
Childcare		✓									
Scholarships					✓				✓		✓
Local hiring	✓	✓	✓	✓	✓		✓		✓	✓	✓
Home improvement		✓	✓		✓				✓		✓

Note: The table includes key benefits for 11 projects that the City’s website categorizes within “past CBO engagement.” The Cass and York, Lot 1, and Fisher Building project is not included as the scope of the project changed and it no longer qualified as a Tier 1 development under Detroit’s CBO.

Sources:

a Cox and Lewis 2018a.

b Zander 2022a; “Job Opportunities” n.d.; “Herman Kiefer” 2020.

c Zander 2022b; Cox and Lewis 2017a; Amendment to the Community Benefits Provision n.d.

d Rustem 2022a; Rahal 2022; Rahal 2024.

e Zander 2022h; Cox and Lewis 2018b; City of Detroit 2023.

f Zander 2022c.

g Zander 2022d; Cox and Lewis 2017b; Runyan 2023.

h Zander 2022e; Cox 2019.

i “Michigan Central Innovation District Development” n.d.; “What Is Michigan Central?” n.d.; Cox n.d.

j “Michigan and Church Street” 2023; “Michigan and Church Street Project Community Benefits Annual Update Meeting” 2023; Zander 2022f.

k Zander 2022g.

charged to report on violations and make recommendations for enforcement that can be carried out by the city council. As of early 2020, CRIO had only one dedicated staff member monitoring whether developers were complying with agreements under the CBO (Mondry 2020), which includes more than 375 commitments across 11 projects that have undergone the CBO process between 2017 and 2021.¹⁴

If the NAC disagrees with the enforcement committee's findings, it can appeal to the city council. If the city council finds that CRIO didn't adequately enforce the CBO to get a developer back on track, it can impose penalties, including requiring City-provided subsidies to be paid back, canceling land transfers or land sales, and charging developers fees. The City can even sue the developer if it feels the latter is in breach of contract.

According to our interviews, there haven't been any instances of the city council taking punitive action, and, according to city officials interviewed, developers have generally complied with agreements. In a few instances where developers weren't meeting targets, they returned to compliance after receiving a notice from CRIO, except in the case of Stellantis's CBO, where the developer persistently violated one of its commitments and yet wasn't fined or penalized by the City (discussed below). Interviewees who served on NACs or represented community-based organizations, in contrast, said that the CBO's current monitoring and enforcement process needs to be strengthened to better hold developers accountable for all commitments.

Notably, Detroit's CBO enforcement process is different from a traditional CBA. Given that CBAs are private agreements, both parties to the agreement—the community and the developer—

hold enforcement power (Gargaro 2023). In Detroit's case, the final agreement is enforced by the City. A 2021 amendment of the CBO by the Detroit City Council added a representative from the NAC to the enforcement committee as a nonvoting member. Even with this amendment, though, the City remains the ultimate enforcement authority of the CBO (Gargaro 2023).

Key benefits won

Through Detroit's CBO, communities have secured a host of benefits, including local hire guarantees, parks and public space improvements, employment and workforce development programs, and funds for affordable housing (City of Detroit 2024c; Table 3). For example, in an agreement with Ford on the renovation of Michigan Central Station, the NAC won \$2.5 million for the city's affordable housing fund, \$5 million for local job training initiatives, and \$2.5 million for neighborhood improvements (City of Detroit 2024b). Most of the benefits secured across 11 projects belong to nine categories—community funding, jobs, education and training, affordable housing, green space, childcare, scholarships, local hiring, and home improvement. Affordable housing and jobs are two benefits seen across all 11 projects.

KEY CHALLENGES AND CONCERNS

Local community organizations, like Detroit People's Platform, the Sugar Law Center, the Equitable Detroit Coalition, and the Detroit Justice Center, have pointed to flaws in the CBO

Table 4 | **Challenges and concerns with Detroit's Community Benefits Ordinance**

CHALLENGES/CONCERNS	HOW THEY RELATE TO JUSTICE FRAMEWORKS
The NAC selection process is viewed as unfair and not conducive to creating a NAC truly representative of the community.	Procedural justice
NAC members are not given enough time, resources, and information to be effective.	Procedural justice
Many projects with significant impacts on communities do not trigger the CBO process.	Distributive justice
Benefits won are viewed as insufficient, given the size of the projects and government subsidies, or are claimed as unique benefits despite such benefits' existing independently of projects going forward with development.	Distributive justice
A lack of effective and clear enforcement mechanisms makes community members feel that they can't hold developers accountable for commitments made.	Procedural and distributive justice

Notes: CBO = community benefits ordinance; NAC = neighborhood advisory council.

Source: Authors.

and pushed for improvements. In response, the Detroit City Council amended the CBO in 2021, increasing the number of required CBO meetings before the city council can greenlight a project from one to five and expanding the radius of the impact area within which residents must be notified of NAC meetings. However, the city council voted down a proposal that would have lowered the threshold for projects to trigger the CBO process from \$75 million to \$50 million (Frank 2020).

The community engagement process and its outcomes drew criticism from interviewed NAC members and representatives of community-based organizations, critiques corroborated by analysis of the available scholarly literature on Detroit's CBO, recordings of CBO public meetings for the Future of Health project, and print media (Table 4). In describing critiques of and concerns about the CBO, this paper also incorporates the perspectives of interviewed city officials, who generally believe that the CBO process is fair.

The NAC selection process is viewed as unfair and not conducive to creating a NAC truly representative of the community.

Only two out of nine NAC members are elected by impact area residents, with the rest appointed either by the city council or the PDD from a pool of candidates nominated by impact area residents. This selection process has raised questions about the representativeness of NACs (Tate 2018) and led to tensions among NAC members, as some appointed NAC members are seen to be reflecting the City's or developer's point of view, rather than the community's. For example, one interviewee said that NACs are "highly politicized" and attributed challenges with the process largely to the way the NAC is selected (interview with a community organization representative, March 5, 2024).

City officials argue that NACs are representative of the community because all members must be nominated by residents of the impact area. City officials further noted that their selections are often made to ensure that a NAC is balanced in its demographic and geographic makeup, with members who have lived for both long and short periods in the impacted community, as well as by other factors to ensure a diversity of perspectives.

Some believe the process itself skews NAC membership. The CBO requires residents of the impact area to be physically present at the second meeting to serve on a NAC, and to elect the two elected NAC members. Critics say this can exclude residents who face language barriers, childcare or work obligations, or aren't aware of the meeting.¹⁵

Past research has also raised concerns that the definition of *project impact area* is too small and does not allow participation by Detroiters living outside of census tracts where a project is

located, who may still be impacted by the project (Berglund 2020). Some argue that, though certain Detroiters who live, work, and play near a project may be most impacted, all Detroiters are in effect impacted too, as they fund developer subsidies through their taxes. As a result, some feel that all Detroiters should have a say in how large projects are built in the city, regardless of where they live.

NAC members are not given enough time, resources, and information to be effective. From start to finish, a NAC will usually conduct five to six formal meetings over about three months (City of Detroit 2024a). NAC interviewees reported feeling rushed through the process, with little time to understand the materials shared by PDD and the developer, do their own research, and hold discussions with residents. NAC members also do not always have knowledge of urban planning, development, and permitting procedures. Project developers, these interviewees noted, are in conversation with the City of Detroit months before the CBO process is triggered or made public, placing them in a better position to understand the CBO requirements and prepare for community engagement. One NAC interviewee said, "The problem is, it's already a done deal. They'll pretend like it is proposed, but it's already a done deal. They've had all the meetings they need to have, and this is the last checkbox that they have to check off. So, the developer may have spent millions of dollars already getting architectural renderings, talking to the City for three years, doing this and that" (interview with a NAC member, March 18, 2024).

City officials noted the inherent tension between ensuring a fair, good faith, and timely CBO negotiation process and maintaining the viability of a project. They stressed the importance of the City and developers doing due diligence to understand a project's scope and the CBO process, so that negotiations can begin once a project plan is in place. City officials also observed that, following the amendment to the CBO in 2021, all essential documents are shared with the NAC as it begins negotiations.¹⁶

Multiple interviewees also noted that NACs, which are built from scratch for each project, lack shared institutional knowledge about community benefits and the CBO, and are not provided enough information to know what types of benefits they could ask a developer for or how to quantify those benefits into a monetary ask for a developer. NAC interviewees also raised concerns about how to conceptualize the geographic reach of benefits. For example, interviewees wondered whether benefits should only be thought of as those accrued to communities in the impact area, or if they should be seen as benefits felt by the broader city.

Indicating the importance of community capacity, one analysis of Detroit's CBO found that NACs representing impact areas with strong, preexisting organizing capability, and including individuals who belong to "equitable development nonprofits or community-run groups," are in a better position to negotiate agreements with tangible benefits that go beyond merely mitigating short-term harm (Berglund 2020). One interviewee from a community-based organization similarly noted that demographic disparities affected how well NACs could negotiate, saying, "Race plays such a critical role in how even CBAs are negotiated. Who deserves to have a say and what the community deserves is all complicated by race and class." The same interviewee also discussed the value of community organizational capacity, noting that "it really comes down to how much organizing community residents are willing to do in order to build and wield power to disrupt the relationship between public officials here in Detroit and the corporate donor class who are often the beneficiaries of these publicly subsidized development deals" (email correspondence with interviewee 5, August 10, 2024). While future research can investigate how the demographic makeup of an impact area affects the NAC negotiation process and the quality of agreement reached, one thing is clear: empowering NAC members with information, knowledge, and training is essential for a fair negotiation process.

Many projects with significant impacts on communities do not trigger the CBO process. Several significant projects, including NorthPoint Development's \$71 million plan to redevelop the former American Motors HQ, a \$50 million Godfrey Hotel development in Detroit's Corktown neighborhood, and a \$48 million project to demolish the Cadillac Stamping Plant and build a new auto supplier factory, did not meet the \$75 million threshold and trigger the CBO process (Williams 2022; Frank 2020; Reindl 2021). Similarly, a \$400 million redevelopment project to build an Amazon distribution center and transit hub did not trigger the CBO process because it didn't receive tax incentives from the City, despite the high dollar value of the project. Amazon purchased the land for the project from the City for a market value of \$9 million without having to engage in the City's CBO process (Colvin 2021).

The Godfrey Hotel developers voluntarily agreed to provide some community benefits, but interviewees perceived that these community benefits were offered on the developers' terms. While a few residents petitioned the city council to get the developers of the NorthPoint Development project to voluntarily execute a CBA as a condition for receiving any public money, the project nonetheless ended up getting \$32.7 million in tax incentives with no CBA (Detroit People's Platform 2022). This has given rise to the perception that community concerns and voices are continuing to be unheard, and neighborhoods

are being sacrificed in the name of development. So far, efforts to lower the financial threshold that triggers the CBO process (including a 2021 ordinance amendment to reduce it from \$75 million to \$50 million) have failed.

Benefits won are viewed as insufficient, given the size of the projects and government subsidies, or are claimed as unique benefits despite such benefits existing independently of projects going forward with development. For example, the District Detroit project will invest \$1.5 billion to develop 10 new buildings in downtown Detroit ("District Detroit" 2023). Its agreement, signed in early 2023, includes benefits the City values at \$167 million,¹⁷ including investments in affordable housing, workforce development, education, transit and parking, local business incubation, cultural placemaking, and green space creation. Critics say the \$800 million in tax incentives provided by the City dwarfed what residents would get in return (Barrett 2023b).¹⁸ Similarly, the Future of Health project developer promised more than \$600 million in benefits. However, Sugar Law Center, a nonprofit organization that monitors the CBO, said that benefits valuation was inflated by including existing programs and policies and using nonbinding language, and that the true value was closer to \$9 million (Frank and Guillen 2024).

Critics cite several reasons for the lopsided benefits: NAC members are often unsure how to assign monetary value to benefits, whether benefits are commensurate to the size of the project and subsidies received, and if these benefits would occur regardless of the CBO due to existing programs or laws. For example, one benefit of the Future of Health project granted 50 free-tuition Michigan State University (MSU) scholarships for area high schoolers. However, with MSU's Spartan Promise and the City's Detroit Promise scholarships already in existence, this benefit was viewed as an example of a developer double-dipping on an existing benefit (Alvarez 2024). In fact, one analysis of the first 10 projects negotiated under the CBO found that at least 20 percent of benefits awarded were redundant with existing policies and would have accrued to the community regardless of the project (Berglund 2020).

A lack of effective and clear enforcement mechanisms makes community members feel that they can't hold developers accountable for commitments made. As the national conversation regarding the pros and cons of different models of delivering community benefits unfolds, some community benefits experts criticize the CBO model because, unlike a CBA, it does not enable communities to hold developers directly accountable (Gross et al. 2005). Instead, agreements negotiated under a CBO can only be enforced by municipal agencies, and, given that cities often have an economic incentive to maintain

good relationships with large developers, they may turn a blind eye to noncompliance even when the CBO includes monitoring and enforcement mechanisms (Gargaro 2023). In other words, the concern is not about whether a CBO has enforcement mechanisms but rather whether a city government is effectively using its enforcement mechanisms.

In Detroit, CRIO is responsible for monitoring projects' commitments, and its enforcement committee can investigate noncompliance complaints. As a last resort, noncompliance can be taken to the city council, the only entity that can impose penalties (e.g., the City can claw back City-provided incentives, revoke land transfers or sales, administer penalties and fees, or sue a developer). However, several interviewees expressed frustration that, despite these enforcement mechanisms, developers were not held accountable by the City for persistent violation of their commitments in some cases.

One interviewee said disagreements between NAC members (especially between those directly elected by residents and those selected by the PDD and the city council) can make it difficult for the NAC to collectively take concerns to the enforcement committee. Moreover, the NAC representative on CRIO's enforcement committee is a nonvoting member, leaving NACs with two main avenues to influence enforcement action: submit a notice of violation to the enforcement committee, or petition to present evidence of violations (*Detroit, Michigan: Code of Ordinances*, n.d., Ch. 12, Article VIII, Sec. 12-8-3). As a result, critics feel that by the time any noncompliance escalates to involve the city council, significant violations have already happened.

Some interviewees also questioned whether CRIO has adequate staffing and resources to effectively monitor project commitments and build community trust, with one worrying that "there has been a tremendous turnover of leadership at CRIO, which makes it hard to build a culture of trust" with the agency (phone conversation with interviewee 5, August 27, 2024).

The Stellantis project illustrates why community members worry that the CBO lacks strong enforcement and accountability mechanisms (Box 1). It includes 67 commitments, including promises to invest in green stormwater infrastructure, create a preferential hiring program for local Detroiters, and invest over \$1 million in home repair grants for nearby homeowners. One commitment requires Stellantis to "abide by and comply with all existing ordinances and federal, state and local laws, including the City's Community Benefits Ordinance" in its CBO agreement (Zander 2022g). However, the company has persistently violated state and federal air quality laws. Stellantis was fined by

the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and the US Environmental Protection Agency opened an investigation into whether EGLE discriminated against people living near the Detroit factory. Several interviewees noted that, apart from marking Stellantis's commitment to comply with local, state, and federal laws "off-track" in CRIO's biannual reports,¹⁹ CRIO, the enforcement committee, the City, and the NAC have not meaningfully held Stellantis accountable.

Despite these criticisms of the CBO's enforcement mechanisms, one City official described feeling that often a developers' noncompliance isn't the result of ill intent and argued that CRIO-mandated improvement plans often resolve noncompliance and get a developer back on track.

RECOMMENDATIONS TO STRENGTHEN DETROIT'S CBO AND LESSONS FOR COMMUNITY-FORWARD DEVELOPMENT THROUGHOUT THE UNITED STATES

Across our interviews, community and NAC members repeatedly emphasized that, though imperfect, Detroit's CBO has finally given the community a seat at the table in shaping development and investments in the city. An interviewee representing a community-based organization said this about the CBO: "It's a governance tool to disrupt the stranglehold of developers on public subsidies" (phone conversation with interviewee 5, August 27, 2024). We heard repeatedly that Detroiters want the government and the CBO to help remedy decades of broken promises and shrinking public investment, which have fostered mistrust and suspicion of City government. Our recommendations aim to further level the playing field between local communities, as represented by NACs, and developers so that the CBO process is fair, representative, and inclusive.

This section highlights recommendations for jurisdictions that are exploring the adoption of a CBO or similar policy. It then adds recommendations specifically for the City of Detroit (Table ES-1). While several recommendations hold true for other frameworks for delivering community benefits, they cannot be applied wholesale to other contexts because the design and implementation of a CBO is sufficiently distinct from other types of frameworks (Appendix B).

Box 1 | The Stellantis (formerly Fiat Chrysler) project

Stellantis—at the time known as Fiat Chrysler—announced a \$2.5 billion plan in 2019 to expand its Mack Avenue facilities and modernize its Jefferson North Assembly Plant (Foley n.d.). The project's incentives package from the City and Michigan Economic Development Corporation ultimately led to the project triggering the CBO process (Noble 2019). In its agreement with the City, Stellantis promised \$13.8 million in community investments and nearly 5,000 jobs as part of the project, including \$5.8 million for workforce development, \$5 million for education, youth programs, and scholarships, and \$1.1 million for an impact neighborhood fund (City of Detroit 2019). Stellantis also committed to protecting the quality of life of nearby residents (Brooker 2022) and to comply with all existing federal, state, and local laws.

Given that Detroit and Southeast Michigan exceeded ozone pollution limits set under the Clean Air Act at the time and that increased pollution was anticipated from the expanded plant, Stellantis was also required to ensure that overall emissions wouldn't increase in the broader Metro Detroit nonattainment area (Cwiek 2023; Brooker 2021). As a result, Stellantis agreed to reduce emissions at one of its existing plants in Warren, Michigan, by 10 percent (Brooker 2021). Notably, Warren is a predominantly white, higher-income city. The neighborhood around the proposed expansion project, however, is majority Black and low income, with an asthma rate three times the state average, raising environmental justice concerns around the project's disparate air quality impacts (Brooker 2021).

At the start of the negotiation process, the City of Detroit and Stellantis signed a memorandum of understanding (MOU), locking community and NAC members into a set timeline for negotiation (City of Detroit 2021). In the eyes of one NAC member, the MOU unfairly gave Stellantis the freedom to walk away from the project during the CBO process and forced NAC members to make decisions without having sufficient time for an adequate inquiry, particularly into the project's potential environmental and human health impacts.

After the expansion was completed in 2021, local residents started complaining about strong odors and air quality impacts (Barrett 2023a). An investigation by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) revealed that Stellantis had failed to properly pipe its regenerative thermal oxidizer (RTO), which cleans hazardous fumes (Dwyer 2022). Instead of cleaning the fumes, the RTO was piping them directly outside, releasing volatile organic compounds and hazardous air pollutants, which can cause or exacerbate respiratory illnesses, like asthma, and have been linked to cancer ("Volatile Organic Compounds" n.d.).

In September, October, and November 2021, EGLE issued three air quality violations for Stellantis's Mack Avenue facility—the first three in a series of violation notices that EGLE issued up until May 2023 ("Stellantis Facilities" n.d.). However, just before EGLE issued these violations, CRIO's August 6, 2021, compliance report for the Stellantis project listed all 66 commitments as either "on-track," "fulfilled," or "not

started," raising questions about the validity of the CBO's monitoring mechanism, given that residents were complaining of foul odors; eye, nose, and throat irritation; headaches; and other side effects at the time CRIO compiled its August report (Rustem 2021; Huffman 2021). Later compliance reports (published February 4, August 10, and November 15, 2022) listed Stellantis's commitment to "abide by and comply with all existing ordinances and federal, state and local laws, including the City's Community Benefits Ordinance" as "off track," with a compliance plan pending with EGLE (Rustem 2022b; Zander 2022b, 2022i).

In 2022, EGLE fined Stellantis just over \$136,000 for air quality violations, mandating that the plant install a new RTO as well as a system to manage energy use and improve air quality at a nearby high school (Dwyer 2022). In total, Stellantis will pay around \$283,000 to settle with EGLE and the State of Michigan. Several advocates labeled these fines as a slap on the wrist for a multibillion-dollar company (Matheny 2024). Additionally, the penalties paid by Stellantis will go to the State of Michigan, not the City of Detroit or local residents, raising concerns that these penalties don't account for or redress the environmental injustices created in Detroit (Matheny 2024). Senate Bill 26 of 2023 seeks to direct fines collected from companies for air quality violations to impacted communities (Senate Bill 26 2023). In 2022, the US Environmental Protection Agency (EPA) launched a formal investigation into allegations of discrimination by EGLE after local residents filed a civil rights complaint against the agency's approval of Stellantis's new air permit (Noble 2022).

Despite EGLE and EPA's actions, CRIO's enforcement committee has not referred Stellantis to the city council for further punitive action for continued failure to meet its commitment to comply with all relevant federal and state laws. In the eyes of some interviewees, the enforcement committee's decision to not pursue city council-level disciplinary action against Stellantis is evidence that the CBO's enforcement mechanisms are not effective, or not always fully brought to bear (Brooker 2022).

The Stellantis case highlights the need to clarify several aspects of the enforcement process: how the enforcement committee incorporates NAC member and community concerns into its monitoring process, since the August 6, 2021, compliance report did not flag any violations of commitments made by Stellantis even though community members by this time had been complaining of air quality problems; how much time developers should be given to get back into compliance, since in this case the violation continued for several months; what instances of noncompliance are serious enough to take to the city council, since in this case the local government took a back seat and left EGLE to address Stellantis's noncompliance; and what the role of the city council is in enforcing commitments when some commitments, such as the requirement that Stellantis comply with federal, state, and local laws, naturally implicate all levels of government.

RECOMMENDATION #1:

Ensure that benefits agreements are negotiated with stakeholders who are representative of the local community. Robust and effective agreements are created by a representative and diverse group of stakeholders, including—but not limited to—labor unions, environmental groups, community members, faith organizations, community groups, and local businesses. Such frameworks cannot just be a tool for governments and developers to gain community support, without actively engaging with representative coalitions to provide tangible and measurable benefits that are prioritized by communities themselves. Governments and developers must build trust by meeting communities where they are, working with community liaisons and leaders, providing materials and information in languages and locations accessible to community members, and more.

Detroit should take the following steps:

- **Expand the number of NAC members elected by the community from two to at least five members out of nine.** This can help dispel the perception that NAC members are handpicked by politicians, the City, or the developer and address a key procedural justice concern raised by interviewees about the inclusiveness and representativeness of NACs. The chair of a NAC should be an elected member, which can provide more control to the local community, as represented by the directly elected members, to facilitate and guide the conduct of the NAC.²⁰
- **Conduct detailed civic engagement work to build awareness about the ordinance and NAC selection process.** Currently, education about the ordinance and NAC happens when a project triggers the CBO. Instead, engagement with the community can start as soon as the City is informed about a proposed project and begins engaging with the developer. Additionally, City officials can collaborate with locally trusted community-based organizations and nonprofits to raise awareness about the ordinance so that, when a project is proposed, residents are already familiar with the ordinance, NAC selection, and engagement process. The City should invest in community engagement and capacity building with appropriate budgets, staffing, and management. The City should use a wide variety of communication tools (through Facebook pages, fliers, newsletters, etc.) in different languages to reach community members, especially those in underserved and overburdened communities. The City should also create space for residents with disabilities, including those with audio, visual, or mobility impairments and learning differences, to serve on a NAC.

- **Conduct further analysis to determine an appropriate investment threshold that triggers the CBO process.** Currently, the ordinance is triggered if a project is at least \$75 million in value **and** receives *either* \$1 million or more in property tax abatements *or* \$1 million or more in value of a City-held land sale or transfer. Given the perception that communities are often subjected to significant economic, social, environmental, and public health impacts from projects that do not trigger the CBO, a lower threshold can ensure that more impacted communities are engaged on development projects and help improve trust in the City government. The push for a lower threshold to trigger the CBO goes back to 2016, when Proposal A was defeated at the ballot box, while a subsequent effort to change the threshold was voted down by the city council in 2021. However, new members of the city council, including Councilmembers Coleman Young II and Mary Waters, have expressed interest in revisiting the law (Frank 2022). This provides an opportunity to carry out a transparent and detailed analysis of different threshold-level proposals to inform future CBO reforms.

RECOMMENDATION #2:

Provide communities with sufficient resources and education to level the playing field between community members and developers. Governments should ensure that communities have access to compensation, legal aid, and third-party experts that can enable communities to successfully negotiate with developers. Legal aid can help craft legally sound agreements, while third-party experts can also help educate communities on technical aspects of projects to inform relevant community benefits provisions. Developers, philanthropies, and governments could pay into a “community benefits fund” to compensate community members for their time.

Detroit should take the following steps:

- **Share all necessary information with NAC members well in advance of a NAC beginning its negotiations with the developer.** This should include information pertaining to the CBO process, the role and responsibility of the NAC, the proposed timeline for NAC meetings, and monitoring and enforcement mechanisms. Even if the City builds awareness about the impending CBO process, it should not assume that those serving on a NAC will have this information. Some of this is already happening after the 2021 amendment to the ordinance, but more can be done.²¹ In addition, City officials should share with NACs outcomes and best practices from previous CBO projects, including information on total project cost, subsidies given by the City, types of benefits

included in the agreement, and the monetary values of benefits included. This information can help NAC members to situate their project in the context of previous projects and begin to explore the types of benefits they can request.

- **Ensure that NAC members are educated on types of potential benefits and empowered to negotiate for meaningful community benefits.** Within Detroit's CBO, two approaches to benefits-sharing with communities are possible. In one approach, a dollar amount for community benefits would be set aside based on the overall cost of a project and the subsidies it receives from the City. With a preset dollar amount allotted for community benefits, NAC members could spend more time developing specific benefits, rather than trying to budget out every single line item and determine if their requests are reasonable or unambitious. In a second approach, the City could either develop different categories of benefits possible within a project or draw on other organizations' work in cataloging potential community benefits. Organizations, including the Sabin Center, Fair Shake Environmental Legal Services, World Resources Institute, and Data for Progress, have already created or are in the process of creating databases of CBAs that highlight the benefits included in each agreement (Sabin Center for Climate Change Law n.d.; Fair Shake n.d.).²²
- **Compensate NAC members for time served on a NAC.** NAC members must invest considerable time and resources to navigate the political and legal landscape and obtain information that can help them negotiate with a developer. They should therefore be compensated from a community benefit fund created by the City and into which every Tier 1 project developer contributes. Offering compensation can also encourage higher participation from community members who are economically marginalized. A growing number of cities have begun to provide various forms of compensation such as gift cards, food, transportation vouchers, or childcare support to achieve more equitable community engagement (McLean 2022). Detroit should also develop plans, with input from the community, on what constitutes fair compensation for NAC members. Some community members may suspect that compensating NAC members is tantamount to buying them off so that they will acquiesce to what developers want. However, this problem is minimized, or even avoided, if the compensation comes from a general community benefits fund which is drawing from several projects that go through the CBO process.
- **Include a neutral third-party mediator or facilitator selected by and accountable to the NAC.** Currently, the planning director serves in this capacity, which conforms

to a growing trend in the United States and elsewhere in the world of local officials being expected to both engage the public and facilitate public participation (Blijleven 2022). Recent studies, however, point to various tensions that government officials face when acting as facilitators and trying to maintain neutrality toward the outcome of a public process (Blijleven 2022; Blijleven and van Hulst 2020; Jaspers and Steen 2018). For instance, government's traditional focus on rules and procedures and its emphasis on expert knowledge over local knowledge can make it difficult for officials to be open and neutral toward community members' perspectives. In other cases, limited time and public budgets can constrain government's facilitation role. As a result, the inclusion of a neutral third-party facilitator is now widely accepted as a mechanism to ensure a fair and balanced process during negotiations between developers and local communities (Lavine et al. 2023; Stephan 2022). Appointing a trained third-party facilitator, who is paid from the community benefits fund, could allay concerns that the City is acting on behalf of developer interests and enhance the credibility of the negotiation process. The City could maintain a list of third-party individuals who are well-versed in City policies and regulations, community benefits, and developer responsibilities, as well as, and most importantly, trusted by the community. To ensure the third-party individual's accountability to the NAC, the NAC should have the right to appoint, remove, and substitute this third-party facilitator. The facilitator can also ensure that the NAC receives all relevant information from the developer, and that City- and developer-provided information and presentations are tailored to nontechnical audiences. This individual, along with PDD, can help prevent duplicative benefits by educating NAC members about benefits that would be available to communities regardless of the development project in question.

- **Provide legal aid and expertise to NACs to successfully negotiate with developers.** Even though the City enters into an agreement with the developer and is responsible for its monitoring and enforcement, legal aid to NACs can help ensure that benefits aren't vague commitments without enforceable and measurable details, timeframes, and metrics. The City could create a list of third-party lawyers with expertise in community benefits from which NACs could choose representation.
- **Extend the timeline of the CBO negotiation process to give the NAC enough time to fully understand the project and its impacts, communicate with residents in the impact area, and negotiate with the developer.** Currently, the average amount of time spent on each negotiation is

three months. While negotiations between the NAC and developer should not unduly impact the project development timeline, the City should work to reconcile the longer timeline for negotiations preferred by communities with the often-hurried timeline of developers. In addition, the City can ensure that NAC meetings are adequately spaced, giving NAC members time to do their own research, consult with experts, and solicit feedback from residents of the impact area. With an extended timeline, the City could also incorporate time for the NAC to meet with NAC members from previous projects and learn from their experiences.

RECOMMENDATION #3:

Ensure that the CBO and other community benefits frameworks are equipped with strong monitoring, enforcement, and transparency mechanisms. Agreements emerging from community engagement processes, whether as CBAs or similar agreements negotiated under a CBO, are already legally binding and include monitoring and enforcement provisions. However, in practice, it can be difficult to enforce such agreements if they are written poorly and without explicit accountability mechanisms. There are numerous examples of commitments to provide community benefits going unfulfilled because of difficulties in monitoring and enforcement (Gross et al. 2005). Careful attention, therefore, must be paid to drafting the language of any agreement, making sure that details regarding how to monitor, measure, and implement commitments are explicitly addressed. Agreements should include specific dollar amounts, dates, and other clear metrics to track implementation. They should also establish strong procedures and penalties for noncompliance, like binding arbitration, and make clear who will be responsible for tracking and enforcing commitments. Learning from the experience of the Stellantis project, fines should be used to pay for impacts associated with the action or inaction that led to the fine in the first place.

Detroit should take the following steps:

- **Create a community benefit fund for NACs and community members to consult legal experts who specialize in contract law and community agreements.**²³ A growing number of experts specialize in these areas, including attorneys from Detroit's Sugar Law Center, the Law Office of Julian Gross, and the National Lawyers Guild. The City could seed this fund or require developers to fund it. NACs should be able to consult legal experts during negotiations, the drafting process, and in the months following an agreement, to help the community hold a developer accountable.

- **Improve the monitoring and reporting aspects of the CBO, including bolstering CRIO's capacity to monitor and enforce agreements.** Given CRIO's high level of turnover and limited staff capacity, providing it with additional resources and staff, including monitoring support from third-party legal experts, while also conferring voting rights to the NAC member on the enforcement committee, could enhance CRIO's monitoring and enforcement authority for the more than 300 commitments already made through the CBO. Additionally, increased capacity could enable CRIO to maintain a public database that tracks whether project commitments are on track and issue compliance reports quarterly, instead of biannually. This would make monitoring more transparent and offer more frequent opportunities to elevate violations to the city council for punitive action.
- **Refrain from providing taxpayer subsidies through the CBO process to developers that have a history of violating or failing to comply with environmental, labor, and other laws.** Government subsidies are directly related to the City's CBO, as the ordinance is triggered when a project is valued at \$75 million or more in value and receives *either* \$1 million or more in property tax abatement *or* \$1 million or more in value of a City-held land sale or transfer. As a result, any government subsidies to developers who have violated local, state, and federal environmental and other laws, especially in communities of color, are a significant concern. One recent analysis of 50 plastic-processing facilities that were constructed or expanded in the last 12 years found that 42 of those facilities violated their air pollution control permits at least once over the last three years. Of the 50 facilities, 32 received \$9 billion in state and local subsidies, 12 of which received subsidies despite having exceeded their permitted amounts of air pollution (Shaykevich et al. 2024). Emerging research has also found that government subsidies are wasteful incentives which encourage a race to the bottom and are largely not needed since most companies would make a similar location decision even without the incentive (Slattery and Zidar 2020; Bartik 2018). Detroit could also consider passing a bad actor ordinance. Such an ordinance could mirror Montana's bad actor law, which allows the state to refuse to grant new permits to mining companies that haven't cleaned up past projects, requiring companies to either first clean up sites or pay the state the cost of cleanup (Earthworks 2023). In Detroit's context, a bad actor ordinance could pertain to developers in active noncompliance with environmental or other laws.

RECOMMENDATION #4:

Adopt environmental justice and racial equity frameworks to assess project impacts and identify community benefits. For far too long in the United States, communities of color, Indigenous peoples, low-income communities, and other historically marginalized groups have been exposed to a disproportionately high pollution burden as well as social and economic risks, including racism, poverty, and unemployment. Detroit is no exception. Community benefits frameworks, such as Detroit's CBO, can be a tool to advance substantive environmental and racial justice if they incorporate environmental justice and racial equity frameworks. Such frameworks should require rigorous assessments of a proposed project's impacts and harms on local communities, as well as the plan to ensure equitable distribution of project benefits, at the start of a project. Equipped with data that depict the demographic makeup of and social, environmental, and economic outcomes in a community, city officials should carefully evaluate proposed development projects to understand how projects may exacerbate existing inequities, how project impacts can be mitigated, and how additional benefits can be tailored to improve the community's overall well-being.

Detroit should take the following step:

- **Conduct community impact assessments to analyze existing environmental and socioeconomic burdens that the CBO process could address.** The City of Detroit can look to existing environmental justice screening tools, such as Michigan's MiEJScreen and the federal government's Climate and Economic Justice Screening Tool, which combine data on various socioeconomic factors and environmental hazards and pollutants to identify communities with the greatest health burdens from cumulative pollution and other factors, like a lack of available transportation and high poverty and unemployment levels. These tools can supplement the City's available data to build detailed community profiles at the census tract level. Every proposed project should be evaluated against metrics that the City, NAC, and community deem important. For instance, if lack of access to affordable housing is a concern in a particular community, then a project should be assessed for impacts on nearby home values and rents.²⁴ All project impacts and the developer's plans to mitigate them should be documented and incorporated into the final agreement. Impact mitigation measures should not count as developer-provided community benefits.²⁵ Furthermore, Detroit should consider implementing a postdevelopment review to understand how metrics of key community impacts identified above shifted after project development took place in order to inform future project negotiations and offer meaningful feedback to NACs.

RECOMMENDATION #5:

Consider further analysis of the role of partial or full community ownership of key infrastructure projects within community benefits frameworks. A growing body of literature notes that for communities to be the ultimate beneficiaries of development projects, they should be able to govern and own projects themselves (Buller and Lawrence 2022). While more research is needed to fully understand whether the outcomes of full or partial community ownership of projects indeed advance the goal of serving the public good, several scholars have pointed out that democratic ownership and governance structures could help build trust and embed community voices in development (Robbins et al. 2024; Lawrence and Hanna 2020), a concern that was brought up several times in our interviews with NAC members and representatives of community-based organizations. Public ownership, which can take many forms, like cooperative ownership or community groups' owning a majority equity stake in a project, can ensure that the primary goal of infrastructure development is to serve the public good, promote universal access, and foster community resilience, rather than generating private profit (Cohen and Mikaelian 2023; Hanna 2018; Bergman et al. 2022). For example, a project could be run by an elected board of community members and workers, which would facilitate community determination of a project's scope, location, and specific benefits. They could partner with local unions to set the terms for workers employed on the project (Fraser et al. 2024). Profits made could then be used to target existing community needs and fund community projects, like job training programs, afterschool programming, and conservation projects (Bergman et al. 2022; Fraser et al. 2024). Publicly owned development projects can be established and funded in a variety of ways. Governments can require developers to furnish community groups with a majority equity stake in a project or company. Private and public dollars can also be channeled to establish funds for communities to own and build projects themselves. In the United Kingdom and New York City, for example, government and private sources of capital have established funds where community organizations can apply for funding to control community assets ("The Community Ownership Fund" n.d.; Change Capital Fund n.d.).

Detroit should take the following step:

- **Undertake an analysis of different pathways to community ownership of development projects in Detroit.** This analysis should compare cases where community ownership has or has not been implemented to identify the advantages, finance flows, legal frameworks, and performance of different ownership models. Community ownership of projects, especially infrastructure projects that serve the public good,

can be explored through cooperative ownership and limited liability corporations (Clean Air Task Force 2023). The City or local community development finance institutions (CDFIs) could also provide upfront capital to community-based organizations to enable these groups to take an equity stake in projects (Shoulders 2021; Boyd and Van Dijk 2022). In particular, CDFIs are well positioned to leverage funding from IRA and BIL programs, like the Greenhouse Gas Reduction Fund and Direct Pay, to invest in community-owned clean energy and climate development projects (Westbrooks 2024; Congressional Progressive Caucus Center and Local Progress Impact Lab 2024). The City could leverage other existing financing tools, like industrial bonds, to earmark funds for public ownership, directly finance projects, and pass returns on to the community in the form of public services, goods, and benefits. The community members interviewed mistrusted in general both project developers and local government. Democratic community ownership structures could help address mistrust by truly giving communities a seat at the table in development beyond the initial development phase.

CONCLUSION

A national transition to a clean energy economy must balance infrastructure development with the needs of local communities, accounting for historic inequities and ensuring that projects benefit marginalized communities. While a CBO can be a powerful tool to achieve a just transition, its effectiveness depends on its design and implementation. Detroit’s CBO has made strides toward a new model of development.

All our interviewees expressed a strong sense of pride in and love for Detroit, and a shared commitment to build a better future for the next generation of Detroiters. The future of Detroit’s CBO has yet to be written, but as one interviewee told us, “Detroit is a love story. So regardless of what happens, I’m always gonna be pro-Detroit and make sure that Detroit is benefiting from policy decisions that impact it.”

But reforms are needed to fulfill the CBO’s community engagement and equitable economic development goals. Detroit’s experience also offers several lessons for those who hope to adopt their own CBO, as well as for those engaging with communities as part of other community benefits frameworks. Local governments, communities, and developers can use lessons from Detroit to develop processes for robust community engagement to ensure accountability in and enforcement of community benefits agreements.

APPENDIX A.

Table A-1 | List of Interviewees

INTERVIEWEE	SECTOR
Interviewee 1	City official
Interviewee 2	City official
Interviewee 3	Community member and project developer
Interviewee 4	Labor representative
Interviewee 5	Community organization representative
Interviewee 6	Community member
Interviewee 7	Community member

APPENDIX B. FRAMEWORKS FOR DELIVERY OF COMMUNITY BENEFITS

Detroit’s CBO is one framework for delivering community benefits among many. Julian Gross, one of the foremost experts on community benefits frameworks in the United States, has laid out three main frameworks for delivering community benefits agreements. The frameworks outlined here are adapted from Gross’s presentation on these frameworks at the National Academies community benefits convening in May 2024 (Gross 2024).

- **Private community benefits agreements (CBAs):** Private CBAs are legally binding contracts between a project developer and a set of community and/or labor stakeholders, setting forth community benefits to be provided if the proposed project moves forward. Here are two examples:
 - **Community benefits agreements:** A CBA is a voluntary but legally binding agreement between a developer or company and nearby community organizations that directs benefits from new development projects to local people (US Department of Energy n.d.a). These benefits vary based on a community’s needs; they can include employment provisions, new infrastructure, and resources for the community such as affordable housing, public parks, job training programs and/or measures to protect the environment.

- Unlike a CBA, a **community benefits plan (CBP)** is a non-legally binding roadmap for how a developer will engage with communities during a project. While they do not always include designated funding or enforcement mechanisms, CBPs can help pave the way for future, legally binding CBAs by laying some of the groundwork and bringing stakeholders together early on.
- **Public community benefits agreements:** Public CBAs are legally binding contracts between a project developer and a local public entity, setting forth community benefits to be provided if the proposed project moves forward. Here is one example:
 - **Host community agreements (HCAs):** An HCA is an agreement between a developer and the municipality where a project will be sited. Some states, like New York, and municipalities have begun incentivizing or requiring HCAs for renewable energy infrastructure and other development projects (Salkin 2009; Puchner 2021).
- **Project labor agreements (PLAs):** PLAs are prehire collective bargaining agreements between labor unions and a project developer, public entity, and/or prime contractor that establish the terms and conditions of employment for a specific project (US Department of Labor n.d.). PLAs typically specify wages, benefits, and working conditions, and require contractors to source labor through union hiring halls that help connect workers with jobs. They also include methods of dispute resolution to ensure that projects continue without interruption and can include no-strike and no-lockout clauses ("Labor Relations" n.d.). Here is one example:
 - **Community workforce agreements (CWAs):** A CWA is a version of a PLA that creates economic opportunities for residents and businesses in communities where projects are being proposed. Provisions can include hiring local residents and underrepresented workers, prioritizing the rehiring of workers from certain local industries such as a closing coal plant, and ensuring the participation of local small business enterprises in projects.

APPENDIX C. INTERVIEW QUESTIONS

1. Can you tell me a bit about yourself, your organization, and your role at your organization?
 - a. Describe your community, their needs, the kind of work you do with them.
2. Could you describe your relationship with Detroit's CBO? As a community member? NAC member? City official?
3. What is your understanding of the CBO process? How have various stakeholders been involved? What's the timeline like, what does it take to get from a proposed development project to a negotiated CBA?
4. Do you think the CBO and its negotiation process (the formation of NACs, etc.) have meaningfully engaged community members, environmental justice advocates, and other community stakeholders? If yes, why? If no, why not?
5. If you've had direct experience with negotiating a CBA in Detroit, can you describe your experience with negotiation? What went well? What went poorly?
6. **City officials only:** What have been the outcomes (including benefits promised/delivered) of CBAs negotiated under the CBO?
 - a. What has the process for negotiating benefits looked like?
7. **NAC and community members only:** Tell us about the specific benefits included in your project. Did the CBA deliver the types of benefits you wanted? Did the CBA fall short in delivering meaningful benefits?
8. What resources and tools (enforcement mechanisms) were used to ensure that the terms of the CBA would be met? Have those enforcement mechanisms been successful? If yes, why? If not, why not?
9. What community concerns have been raised in the aftermath of CBA negotiations and how have they been addressed?
10. If you think Detroit's CBO needs changes, how do you hope Detroit would reform its CBO?
11. Are there other people you think we should speak with?

APPENDIX D. LIST OF PROJECTS

Table D-1 | List of projects that have triggered the Detroit CBO

CBO PROJECT	PROJECT DESCRIPTION
Herman Kiefer	The redevelopment of Detroit's Herman Kiefer Hospital complex and its surrounding area for commercial and residential use.
Pistons	The design and construction of a new training and operations facility for the Detroit Pistons and a comprehensive sports medicine facility operated by the Henry Ford Health System.
Wigle Midtown West	The development of a new mixed-use project, known as Wigle Midtown West, with over 300 residential units, retail space, one acre of public space, and more.
Detroit Free Press Rehabilitation	The rehabilitation of the Detroit Free Press building, originally opened in 1925, into a mixed-use building with commercial and residential space.
Book Building and Tower and Monroe Blocks	The rehabilitation of the Book Building and Tower into a mixed-use project with a hotel, residential apartments, and commercial space along with the construction of a new, mixed-use building with residential, commercial, and public space.
Hudson	The redevelopment of the site of the former J.L. Hudson's Department Store as a mixed-use project with residential, office, commercial, and public space, along with parking.
Lafayette West	The development of a new residential complex, Lafayette West, with condos, 5-story multifamily apartment buildings, amenities for residents, and retail space, among other details.
Michigan Central Station Development	The revitalization of the Michigan Central Station as part of Ford's innovation hub along with the construction and improvement of new and existing buildings in the nearby Corktown neighborhood.
Fiat Chrysler Jefferson North Assembly Plant Expansion	The expansion of Fiat Chrysler's Jefferson North Assembly Plant through the conversion of the Mack Avenue Engine Complex into a vehicle assembly plant and the modernization of Jefferson North.
The Mid	The development of the Mid, a new mixed-use project in Midtown Detroit with retail space, a boutique hotel, housing including affordable units, and restaurants.
Michigan and Church Street	The construction of new mixed-use buildings with a 7-story apartment building that includes affordable units, and multiple townhomes on Michigan and Church Streets in Detroit's Corktown neighborhood.
Fisher Body 21	The rehabilitation of Fisher Body Plant 21, a former auto facility on City-owned land that's been vacant for decades, into a mixed-use project with residential and commercial space.
District Detroit	The development of 10 new buildings in downtown Detroit, including commercial space, offices, residential apartments, hotels, and public green space.
Future of Health	The development of New Center to connect Henry Ford's hospital campus and the headquarters of the Detroit Pistons through integrated parking plans, healthcare and research space, and commercial and residential space.
Hotel Water Square	The conversion of the former Joe Louis Arena, currently known as Water Square, into a 25-story hotel, along with a pedestrian bridge to ensure accessibility and direct connection to Huntington Place Convention Center.

Note: The Cass and York, Lot 1, and Fisher Building CBO was not included in the table, as the scope of the project changed and it no longer qualified as a Tier 1 development under Detroit's CBO.

Source: Authors' analysis of CBO engagement process, obtained from <https://detroitmi.gov/departments/planning-and-development-department/community-benefits-ordinance#Past-CBO>.

ABBREVIATIONS

CBA	community benefits agreement
CBO	community benefits ordinance
CBP	community benefits plan
CRIO	Civil Rights, Inclusion, and Opportunity Department (City of Detroit)
CWA	community workforce agreement
EGLE	Michigan Department of Environment, Great Lakes, and Energy
GM	General Motors
HCA	host community agreement
MOU	memorandum of understanding
NAC	neighborhood advisory council
PDD	Planning and Development Department (City of Detroit)
PLA	project labor agreement
RTO	regenerative thermal oxidizer

ENDNOTES

1. Community benefits plans are scored based on a developer's planned activities across four key areas: engagement with communities and labor groups; creation of quality jobs; advancement of diversity, equity, inclusion, and accessibility through worker recruitment and training; and implementation of the Justice40 Initiative, which directs 40 percent of overall benefits of certain federal investments to flow to disadvantaged communities.
2. Some interviewees who represented City government or community or labor organizations also served on a NAC, so, while this description may make it appear like there were nine interviewees, there were in fact only seven.
3. The redlining of neighborhoods dates back to the Great Depression, when the federal government created the Home Owners' Loan Corporation to provide assistance to homeowners defaulting on their mortgages due to the financial crisis. Bankers assessing financial risks created maps that color-coded neighborhoods based on their racial makeup, with minority neighborhoods marked red to indicate they were allegedly risky for investment (Lathan 2023).
4. In June 2015, the Michigan state legislature passed House Bill 4052, which prevented local governments from regulating wages and benefits in their communities through local ordinances. The coalition was forced to revisit its drafted CBO language to avoid violating the new state law.
5. Equitable Detroit created a ballot committee, Rise Together Detroit, to comply with the requirement that local ballot initiatives establish a ballot committee to advance the question to voters. The coalition collected more than 6,000 signatures to qualify for the ballot initiative.
6. There is also a category of Tier 2 projects, which are valued at least \$3 million and request at least \$300,000 in land transfers or tax abatements from the City. The ordinance does not require community engagement for Tier 2 projects; instead, the developer is required to work with the PDD to promote local hiring and mitigate any negative impacts on the local community.
7. The notice is sent by first-class mail no less than 10 days before the first meeting to all residents within a 300-foot radius of the impact area (*Detroit, Michigan: Code of Ordinances* n.d., Ch. 12, Article VIII Sec. 12-8-3).
8. This happened after the NAC had been selected and six public NAC meetings were held.

9. A review of the first meeting (October 3, 2023) of the Future of Health project reveals that the meeting lasted for two hours and included welcome and introductions, including from attending city council members. Next the City described the CBO process and took questions about the process from those attending the meeting. The developers (Henry Ford, Michigan State University, and the Detroit Pistons for this project) then gave a presentation. Finally, the City described the process of serving on the NAC and next steps. The full recording of the meeting is available at <https://detroitmi.gov/departments/planning-and-development-department/community-benefits-ordinance/ongoing-cbo-engagement/future-health-detroit>.
10. This process takes place between the second and third meetings. The PDD informs NAC members by email or phone that they have been selected to serve on the NAC.
11. We include the Cass and York project in this count since the project went through the NAC selection process and because it was decided only after the sixth NAC meeting that the project scope had changed enough that it no longer qualified as a Tier 1 project.
12. These meetings are all open to the public and include an opportunity for the public to ask questions or provide comments that the NAC can take into consideration.
13. We exclude the Cass and York project from this count, given that NAC meetings were discontinued once it was decided that the project no longer qualified as a Tier 1 project.
14. The number of commitments varies across projects. The Stellantis project has 67 commitments, while the Herman Kiefer and Hudson projects had 12 and 19 commitments, respectively. This information was obtained by going through each project's biannual compliance report.
15. Exemplifying this pattern, during the first meeting of the Future of Health Project, one impact-area resident who was interested in serving on the NAC told the PDD that he would be out of town at the time of the second meeting. The PDD responded that the person would have to be present for the election. The recording is available at <https://detroitmi.gov/departments/planning-and-development-department/community-benefits-ordinance/ongoing-cbo-engagement/future-health-detroit>.
16. Essential information includes all development agreements between the City and the developer, projected revenue from the development, all renderings related to the project, the economic analysis conducted by the Detroit Economic Growth Corporation, and any environmental studies associated with the project (Detroit, Michigan: Code of Ordinances n.d., Ch. 12, Article VIII, Sec. 12-8-3).
17. This number itself has been challenged by community-based organizations.
18. The total value of all state and local incentives is estimated at \$1.8 billion (Perkins 2023).
19. Our analysis of CRIO's biannual reports reveals that Stellantis was listed as "off-track" in the reports from February 4 and November 15, 2022. Even though residents had been complaining about air quality violations long before these dates, the August 6, 2021, biannual report did not find Stellantis "off-track" regarding this commitment. The three biannual reports are available at <https://detroitmi.gov/sites/detroitmi.localhost/files/2023-03/Executive%20Summary%20CBO%20Compliance%20Reports%20-%20August%202022.pdf>; <https://detroitmi.gov/sites/detroitmi.localhost/files/2022-03/Executive%20Summary%20-%20February%202022%20CBO%20Biannual%20Compliance%20Reports.pdf>; and <https://detroitmi.gov/sites/detroitmi.localhost/files/2021-08/FCA%20%28Stellantis%29%20August%202021%20CBO%20Biannual%20Report.pdf>.
20. Each NAC appoints a chairperson, vice chair, and a secretary. NAC members can nominate each other or self-nominate for these positions, which are then selected by a majority vote of the NAC.
21. For the Future of Health project, the PDD shared project information with the NAC one day prior to NAC's fourth meeting on November 1, 2023, when NAC members started discussing the project impacts and potential mitigation measures. At that meeting, one impact-area resident also complained that the PDD had not included all relevant documents, especially those pertaining to the brownfield tax increment financing program, in the project document folder that is accessible to the NAC and all community residents. The recording is available here: <https://detroitmi.gov/departments/planning-and-development-department/community-benefits-ordinance/ongoing-cbo-engagement/future-health-detroit>.
22. Fair Shake Environmental Legal Services, a nonprofit environmental law firm, has developed a resource summarizing categories of community benefits—such as health and safety, humane housing, reliable transportation, and meaningful work and wealth—that communities could reference and adapt to their unique context and situation (Fair Shake n.d.).
23. This same fund can also cover the cost of compensating NAC members for their time and expertise and a third-party facilitator or mediator.

24. As development projects in low-income areas move forward, homeowners, renters, and tenants of commercial properties can face the prospect of displacement when land value increases (De Barbieri 2018).
25. In the Stellantis project, for example, the developer made a commitment to provide \$700,000 to a specific grant program to support Beniteau Street residents who are acutely impacted by the construction along the project perimeter in repairing homes to prevent noise pollution. This commitment should be viewed as a mitigation measure to reduce a specific project impact and not benefits that are being provided to the community that improves their social, economic, and environmental well-being in a tangible manner.

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ABOUT WRI

World Resources Institute is a global research organization that turns big ideas into action at the nexus of environment, economic opportunity, and human well-being.

Our challenge

Natural resources are at the foundation of economic opportunity and human well-being. But today, we are depleting Earth's resources at rates that are not sustainable, endangering economies and people's lives. People depend on clean water, fertile land, healthy forests, and a stable climate. Livable cities and clean energy are essential for a sustainable planet. We must address these urgent, global challenges this decade.

Our vision

We envision an equitable and prosperous planet driven by the wise management of natural resources. We aspire to create a world where the actions of government, business, and communities combine to eliminate poverty and sustain the natural environment for all people.

ABOUT DATA FOR PROGRESS

Data for Progress is a progressive think tank and polling firm arming movements with the tools they need to fight for a more equitable future. Led by a team of policy and data experts, Data for Progress produces quality polling, data-based messaging, and policy generation for progressive causes, campaigns, and candidates. It works across a diverse range of issues, including climate and energy, economy, education, and social justice, among others.



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