

A WINNING STRATEGY FOR COMMUNITY EQUITY IN DETROIT: IS A COMMUNITY BENEFITS ORDINANCE THE MOST EFFECTIVE APPROACH?

BRIDGET A. VANCE[†]

I. INTRODUCTION	751
II. BACKGROUND	754
<i>A. Overview of Community Benefits Agreements</i>	754
<i>B. Historical Background for the Current CBA Movement</i>	756
1. <i>Urban Renewal (1949 to 1974)</i>	756
2. <i>Model Cities (1966 to 1974)</i>	758
3. <i>Community Development Block Grants (1974 to the Present)</i>	759
4. <i>Urban Development Action Grants (1977 to 1989)</i>	760
5. <i>Empowerment Zones (1993 to the Present)</i>	761
<i>C. Examples of CBAs Across the United States</i>	762
1. <i>Staples Center in Los Angeles, California</i>	762
2. <i>Atlantic Yards in Brooklyn, New York</i>	764
<i>D. Community Benefits Ordinance in Detroit</i>	765
1. <i>Historical Context</i>	765
2. <i>November 2016 Ballot Proposals</i>	767
III. ANALYSIS	768
<i>A. Inadequacies of a CBO</i>	768
<i>B. An Alternative Strategy for Community Equity</i>	770
1. <i>Citizens Urban Opportunity Fund</i>	770
2. <i>A Community Benefits Fund</i>	771
IV. CONCLUSION	772

I. INTRODUCTION

In 2010, the development momentum in downtown Detroit began building.¹ At that time, there were approximately forty-eight large, empty buildings in Detroit's downtown.² It was also in 2010 that businessman

[†] B.A., 2013, with distinction, University of Michigan; J.D., expected 2018, Wayne State University Law School. The author would like to thank Professor John Mogk for his insight and feedback.

1. See Louis Aguilar, *Detroit's development deals kept booming in 2016*, DET. NEWS (Jan. 12, 2017, 11:00 PM), <http://www.detroitnews.com/story/news/local/detroit-city/2017/01/12/detroits-development-deals-kept-booming/96523726/>.

2. See *id.*

Dan Gilbert moved 1,700 of his Quicken Loans Family of Companies team members downtown from the suburbs.³ Since then, many other companies have followed, and also moved their corporate headquarters downtown.⁴ Consequently, a majority of the vacant structures in downtown Detroit have been, or at least have plans to be, renovated and occupied.⁵

Most developers in Detroit cannot simply buy land or property and develop it as they wish solely with private money.⁶ Instead, virtually all developers depend on an economic contribution from the city, usually in the form of tax incentives.⁷ This is because, generally, the cost to build an office building in downtown Detroit is just as much as in Chicago or some other major city.⁸ However, the rent for office space in Detroit is among the lowest in the nation's top downtown markets.⁹ Thus, the incentives developers seek are essential to Detroit eventually producing higher rents.¹⁰ The idea is that as rental rates progressively increase, the need for such incentives will fade.¹¹

The development momentum in Detroit is still building, and shows no signs of slowing down.¹² Throughout 2016, various developers announced more than 110 development plans for downtown Detroit.¹³ These proposed developments represent hundreds of millions of dollars of investment in the city.¹⁴ The results of such investment include lower office vacancy, climbing rental rates, and higher demand for housing.¹⁵

3. *See id.*

4. *See* Kirk Pinho, *Microsoft to Move Tech Center, 165 jobs to Downtown Detroit*, CRAIN'S DETROIT BUS. (Feb. 3, 2017) <http://www.crainsdetroit.com/article/20170203/NEWS/170209937/microsoft-to-move-tech-center-165-jobs-to-downtown-detroit>; Louis Aguilar, *Putting a Price Tag on Properties Linked to Gilbert*, DETROIT NEWS (Apr. 28, 2016), <http://www.detroitnews.com/story/business/2016/04/28/dan-gilbert-bedrock-downtown-detroit-buildings/83681698/>. Microsoft and Ally Financial are two companies in addition to Quicken Loans that have moved their corporate headquarters from the suburbs to downtown Detroit.

5. *See* Aguilar, *supra* note 4.

6. *See* John Gallagher, *Will Gilbert's Plan for Tax Incentives Flare 'Two Detroit's' tension?*, DETROIT FREE PRESS (Dec. 3, 2016), <http://www.freep.com/story/money/business/columnists/2016/12/03/gilbert-detroit-downtown-incentives-development/94733034/>.

7. *See id.*

8. *See id.*

9. *See id.*

10. *See id.*

11. *See id.*

12. *See* Aguilar, *supra* note 1.

13. *See id.*

14. *See id.*

15. *See id.*

The city's economic contribution to a development project, in the form of tax credits and other incentives, in turn justifies the provision of economic benefits by the developer to the community.¹⁶ Thus, the need arose for some type of agreement between a developer and the community for the provision of such benefits. Accordingly, community benefits agreements (CBAs) have emerged as the leading mechanism to accomplish that end.¹⁷

The incorporation of CBAs in development projects in Detroit has not been without controversy. The CBA movement in Detroit led to the passage of a highly debated community benefits ordinance (CBO) in 2016.¹⁸ This Note takes the position that CBAs, and a CBO requiring CBAs for nearly all large-scale development projects, are not the most effective way to balance the interests of a developer and the community impacted by a development project.¹⁹ As a solution, this Note suggests the use of a community benefits fund furnished by the city with funds generated from the project and run by representatives from the community in order to correctly place the responsibility to strike a balance with the local government.²⁰

In order to reach this conclusion, this Note will first provide an overview of CBAs generally, including the historical context for the current CBA movement, examples of CBAs utilized in cities across the United States, and an overview of the recent passage of the CBO in Detroit.²¹ Next, this Note will analyze the inadequacies of a CBO, and propose an alternative strategy for community equity modeled after a shortly-lived program in Detroit in the early 1970s.²² Finally, this Note will ultimately conclude that a CBO is not the most effective strategy for achieving community economic inclusion. Instead, the local government should direct the provision of community benefits.²³

16. See William Ho, *Community Benefits Agreements: An Evolution in Public Benefits Negotiation Process*, 17 J. AFFORDABLE HOUS. & COMM. DEV. L. 7, 9 (2008).

17. See *id.* at 7–8.

18. See Kirk Pinho, *Milder Community Benefits Ordinance Passes in Detroit*, CRAIN'S DETROIT BUS. (Nov. 9, 2016), <http://www.crainsdetroit.com/article/20161109/NEWS/161109838/milder-community-benefits-ordinance-passes-in-detroit>.

19. See *infra* Part III(A).

20. See *infra* Part III(B).

21. See *infra* Part II.

22. See *infra* Part III.

23. See *infra* Part IV.

II. BACKGROUND

A. Overview of Community Benefits Agreements

There are three parties to every major urban redevelopment²⁴ project: (1) the public sector (public officials), (2) the private sector (developers), and (3) the community (residents and community groups).²⁵ The power dynamics amongst these actors shift continually throughout the development process.²⁶ Additionally, each party individually faces competing interests.²⁷ For public officials, these interests are to provide public services while attempting to sustain and cultivate a strong tax base.²⁸ The challenge for private developers is to meet budgetary requirements while preserving a reputation allowing them to continue to work where they do.²⁹ Finally, community groups struggle to maintain the character of their neighborhoods while expanding services and enhancing quality of life.³⁰ Traditionally, the decision-making power in redevelopment efforts existed only between the public and private sectors, while the community had very little authority.³¹ In light of this imbalance of control, community benefits agreements (CBAs) have emerged as the leading tool for local residents to increase their influence³² and obtain benefits from a planned development.³³

A CBA is a legally-binding agreement negotiated between a community and a prospective developer which indicates the public benefits and services that specific developer will provide to the community impacted by the proposed development project.³⁴ Common benefits specified in such agreements include: "living wage

24. For the purposes of this Note, urban redevelopment means "the demolition or reuse of existing urban buildings and sites for the purposes of improving the quality of life for city residents, economic development, or both." Ho, *supra* note 16, at 11.

25. *Id.* at 7.

26. *See id.* at 8.

27. *See id.*

28. *See id.* at 8.

29. *See id.*

30. *See id.*

31. *See id.* at 7-8.

32. *See id.*; Patricia E. Salkin & Amy Lavine, *Negotiating for Social Justice and the Promise of Community Benefits Agreements: Case Studies of Current and Developing Agreements*, 17 J. AFFORDABLE HOUS. & COMM. DEV. L. 113, 114 (2008).

33. *See* Vicki Been, *Community Benefits Agreements: A New Local Government Tool or Another Variation on the Exactions Theme?*, 77 U. CHI. L. REV. 5 (2010).

34. *See* Patricia E. Salkin & Amy Lavine, *Understanding Community Benefits Agreements: Equitable Development, Social Justice and Other Considerations for Developers, Municipalities and Community Organizations*, 26 UCLA J. ENVTL. L. & POL'Y 291, 293 (2008).

requirements, first source (i.e., local) hiring and job training programs, minority hiring minimums, guarantees that developments will include low-income and affordable housing, environmental remediation requirements, and funding for community services and programs.”³⁵

Since CBAs emerged in the late 1990s, such agreements have become an increasingly popular device throughout the United States for the organization and collaboration of community groups and developers.³⁶ With the spread of the “return-to-the-cities” movement³⁷ across the United States, many previously undesirable American cities are now at the center of the latest urban redevelopment efforts.³⁸ While cities stand to benefit from this newfound interest, they are also constrained both fiscally and politically to restore these urban areas.³⁹ As a result, the private sector has become the primary player in several of the major urban redevelopment endeavors in recent history.⁴⁰ This new era of urban redevelopment, characterized by a reliance on private sector entities, has raised concerns for various neighborhood and community groups.⁴¹

Consequently, CBAs have now become “the standard practice” to resolve disagreements surrounding major developments between a

35. Salkin & Lavine, *supra* note 32, at 114 (citing JULIAN GROSS, GREG LEROY & MADELINE JANIS-APARICIO, GOOD JOBS FIRST & CAL. P'SHIP FOR WORKING FAMILIES, COMMUNITY BENEFIT AGREEMENTS: MAKING DEVELOPMENT PROJECTS ACCOUNTABLE 9–11 (2005), <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/cba2005final.pdf>).

36. See Salkin & Lavine, *supra* note 34, at 292. Some notable CBAs include: Hollywood and Highland Center (Los Angeles, CA 1998), Staples Center (Los Angeles, CA 2001), LAX Expansion (Los Angeles, CA 2004), Ballpark Village (San Diego, CA 2005), and Atlantic Yards (Brooklyn, NY 2005). *Id.* CBAs have also appeared in Albany, NY; Atlanta, GA; Pittsburgh, PA; Charleston, SC; Miami, FL; Milwaukee, WI; San Francisco, CA; Santa Rosa, CA; Seattle, WA; Syracuse, NY; the Twin Cities; Wilmington, DE; and even outside of the United States in Toronto, Canada and Dublin, Ireland. *Id.*

37. For the purposes of this Note, the “return-to-the-cities” movement refers to the increase in Americans moving to cities as opposed to suburbs, which was the trend for decades, when the economic recovery from the Great Recession of 2007 to 2009 began in 2010. See Ho, *supra* note 16, at 7; see also Lucy Westcott, *More Americans Moving to Cities, Reversing the Suburban Exodus*, ATLANTIC (Mar. 27, 2014), <https://www.theatlantic.com/national/archive/2014/03/more-americans-moving-to-cities-reversing-the-suburban-exodus/359714/>.

38. Lucy Westcott, *More Americans Moving to Cities, Reversing the Suburban Exodus*, THE ATLANTIC (Mar. 27, 2014), <https://www.theatlantic.com/national/archive/2014/03/more-americans-moving-to-cities-reversing-the-suburban-exodus/359714/>.

39. See Ho, *supra* note 16, at 8.

40. See *id.*

41. See *id.*

developer and a community across the United States.⁴² The provision of community benefits by a developer is often expected as a justification for the level of public support and funding contributed to the development project in the form of tax credits, "low-interest loans, low land cost, zoning variances," and other incentives.⁴³

B. Historical Background for the Current CBA Movement

To understand how the current CBA movement came about, it is necessary to review the negotiation of public benefits in the United States throughout history, including the evolution of the roles of the community, developers, and public officials.⁴⁴ The debate surrounding both the process and impact of urban redevelopment has been evolving since arising at a national level in the late 1940s.⁴⁵ The following sections will provide a brief overview of the major federal programs instituted in an attempt to revitalize declining inner city neighborhoods: urban renewal (1949 to 1974), Model Cities (1966 to 1974), the Community Development Block Grant program (1974 to present), the Urban Development Action Grant program (1977 to 1989), and Empowerment Zones (1993 to present).⁴⁶

1. Urban Renewal (1949 to 1974)

Urban renewal was the first major national program aimed at the redevelopment of inner cities.⁴⁷ The Great Depression and the breakdown of the urban real estate market in the 1920s led to the creation of the program.⁴⁸ With the passage of both the 1934 Housing Act⁴⁹ and

42. See Edward W. De Barbieri, *Do Community Benefits Agreements Benefit Communities?*, 37 CARDOZO L. REV. 1773, 1776 (2016).

43. Ho, *supra* note 16, at 9.

44. See *id.* at 10–11.

45. See *id.* at 11.

46. See *id.* at 11–20.

47. See *id.*

48. See *id.*

49. See Kevin Fox Gotham, *Racialization and the State: The Housing Act of 1934 and the Creation of the Federal Housing Administration*, 43 SOC. PERSP. 291, 299–300 (2000).

The Housing Act of 1934 contained four main provisions. First, the federal government established a temporary nationwide credit plan that insured lending institutions against loss up to 20 percent of all property improvement loans (Federal Housing Administration 1959) Second, the 1934 legislation provided for the establishment of a "mutual mortgage insurance system" under which the newly created FHA would provide insurance to private lenders to protect them against loss on home rehabilitation loans and mortgages for new

the 1944 G.I. Bill,⁵⁰ the decline of many cities accelerated, and large numbers of white, middle-class families left the inner cities and fled to the suburbs.⁵¹ A consequence of this “white flight” was the loss of substantial amounts of both “human and institutional capital” from urban areas.⁵²

There was widespread support for the creation of federal redevelopment programs aimed at reversing the decline of inner cities across the United States. However, when urban renewal passed in 1949,⁵³ private entrepreneurs had significant influence over redevelopment activities, while the community lacked any meaningful role in the process.⁵⁴ Urban renewal aimed to reestablish blighted urban communities⁵⁵ by injecting government influence as well as large amounts of public subsidies into the ordinarily private development

homes Third, the FHA created “national mortgage associations” to buy and sell FHA-insured mortgages in an effort to make mortgage insurance available on a nationwide scale and maintain a continuous and geographically even circulation of funds in times of short credit. Fourth, the Federal Savings and Loan Insurance Corporation (FSLIC) was established to insure the accounts of federal savings and loan associations (Federal Housing Administration 1959).

Id.

50. See Mariano Ariel Corcilli, *The History of Veterans Benefits: From the Time of the Colonies to World War Two*, 5 U. MIAMI NAT’L SEC. & ARMED CONFLICT L. REV. 47, 52 (2015) (“The law provided veterans with healthcare benefits, the right to be represented by veterans’ organizations, a board of review, educational benefits, a home loan guarantee, employment benefits, and unemployment benefits.”).

51. See Ho, *supra* note 16, at 12.

52. *Id.*

53. See *id.*

54. See *id.* at 13 (citing Marc A. Weiss, *The Origins and Legacy of Urban Renewal*, in *FEDERAL HOUSING POLICY AND PROGRAMS: PAST AND PRESENT* 253, 264 (J. Paul Mitchell ed., 1985)).

55. For the purposes of this note, blighted urban community means:

[A] portion of a municipality, developed or undeveloped, improved or unimproved, with business or residential uses, marked by a demonstrated pattern of deterioration in physical, economic, or social conditions, and characterized by such conditions as functional or economic obsolescence of buildings or the area as a whole, physical deterioration of structures, substandard building or facility conditions, improper or inefficient division or arrangement of lots and ownerships and streets and other open spaces, inappropriate mixed character and uses of the structures, deterioration in the condition of public facilities or services, or any other similar characteristics which endanger the health, safety, morals, or general welfare of the municipality, and which may include any buildings or improvements not in themselves obsolescent, and any real property, residential or nonresidential, whether improved or unimproved, the acquisition of which is considered necessary for rehabilitation of the area.

MICH. COMP. LAWS ANN. § 125.72 (West Supp. 2018).

process.⁵⁶ However, in reality, the objective of urban renewal turned out to be to improve the physical aspects of blighted communities for private investment rather than to improve the conditions of these neighborhoods for existing residents.⁵⁷ The absence of any public benefits resulted in a polarized urban environment that placed poor inner-city residents and affluent suburban commuters in apparent conflict with one another.⁵⁸ This intensified class and race issues, which fostered an unsuitable environment for longstanding private investment and local economic advancement.⁵⁹ Ultimately, the urban renewal program terminated in 1974 due to "[t]he top-down structure with which these plans were created and implemented, the narrow scope used to approach community redevelopment, and the lack of significant and meaningful community involvement"⁶⁰

2. *Model Cities (1966 to 1974)*

The Model Cities program was a direct result of the Demonstration Cities and Metropolitan Development Act of 1966, and aimed to unify the numerous government programs that stemmed from urban renewal which attempted to improve blighted urban neighborhoods.⁶¹ The Model Cities program proposed to use the Department of Housing and Urban Development (HUD), which was newly created at the time, as a means to concentrate federal resources from the urban programs existing at that time to select blighted urban neighborhoods to generate significant change.⁶² The program aimed to do so by "streamlin[ing] the application process for [public officials to request] federal funds, [to] mak[e] it easier for cities to secure the funds and technical assistance necessary to create a comprehensive approach to redevelopment."⁶³ While this program made an attempt at giving residents living in the targeted neighborhoods more influence in redevelopment efforts, the expressed goal of the

56. See Ho, *supra* note 16, at 12.

57. See *id.* (citing F. Stevens Redburn & Terry F. Buss, *Public Policies for Distressed Communities: A Return Visit*, in PUBLIC POLICIES FOR DISTRESSED COMMUNITIES REVISITED 3 (F. Stevens Redburn & Terry F. Buss eds., 2002)).

58. See *id.*

59. See *id.*

60. *Id.*

61. See *id.* at 13–14 (citing U.S. ADVISORY COMM'N ON INTERGOVERNMENTAL REL., Foreword to IMPACT OF FEDERAL URBAN DEVELOPMENT PROGRAMS ON LOCAL GOVERNMENT ORGANIZATION AND PLANNING (1964)).

62. See *id.* at 14 (citing BERNARD J. FRIEDEN & MARSHALL KAPLAN, THE POLITICS OF NEGLECT: URBAN AID FROM MODEL CITIES TO REVENUE SHARING 5 (1975)).

63. *Id.*

program was only to create stronger communication between the public sector and the community, rather than shared power.⁶⁴

Ultimately, this program ended when President Nixon took office.⁶⁵ The termination of the Model Cities program was due to both a lack of agreement about the program's validity and success, and the shift of the federal urban development model from grants and loans to revenue sharing, whereby cities and states shared federal tax revenue and decided how to best divide federal aid.⁶⁶ While Model Cities did acknowledge the need for input from local residents, the absence of authority given to local communities and its "top-down" methodology ultimately led to the failure of the program.⁶⁷

3. *Community Development Block Grants (1974 to the Present)*

The Community Development Block Grant (CDBG) program was a result of the Housing and Community Development Act of 1974, making it one of the longest-lasting HUD programs.⁶⁸ The CDBG program, like Model Cities, aimed to combine several aid programs,⁶⁹ representing the transition away from categorical grants, or grants with specific purposes, toward grants with increased local autonomy, allowing states and cities greater control over the allocation of funds.⁷⁰ This shift allowed them to address community needs in a more productive fashion.⁷¹

While the CDBG had general conditions regarding community participation, and some cities did in fact institute mechanisms to distribute authority amongst community groups, this was not a national goal of the program. Thus, it is still regarded as falling short of a comprehensive approach to urban redevelopment despite the increased power given to local governments, incentives to the private sector, and requirement of community participation.⁷² Nevertheless, the program is still in use today, and differs significantly from city to city in both scope and process.⁷³

64. *See id.*

65. *See id.* at 15.

66. *See id.*

67. *See id.*

68. *See id.*

69. *See id.* (citing HAROLD L. BUNCE, U.S. DEP'T OF HOUS. & URBAN DEV., AN EVALUATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT FORMULA (1977)).

70. *See id.* at 15–16.

71. *See id.*

72. *See id.* at 16.

73. *See id.*

4. *Urban Development Action Grants (1977 to 1989)*

The Urban Development Action Grant (UDAG) program resulted from the Housing and Community Development Act of 1977.⁷⁴ UDAG aimed to serve as a counterpart to the enduring CDBG program.⁷⁵ It intended to give local governments express involvement in the redevelopment process by encouraging investment in urban areas by both the public and private sector through matching funds for private investment in marginalized urban communities.⁷⁶ The UDAG program's purpose "was to finance large-scale redevelopments that would attract private capital to blighted urban areas as well as to encourage existing businesses to stay and grow."⁷⁷ In contrast to the urban redevelopment programs that preceded UDAG, this program was more flexible and emphasized public-private partnerships.⁷⁸ In order to receive funding from the UDAG program, "local public officials had to conclude that an urban redevelopment project would not go forward without public subsidies, and the private sector had to state that they would not take action 'but for' public aid."⁷⁹ However, UDAG did not require citizen participation, which was inconsistent with the existing HUD increased citizen participation model.⁸⁰

Eventually, in 1986, UDAG ended due to its failure as an urban redevelopment program.⁸¹ The program was short-sighted, in part due to the lack of local community involvement.⁸² Further, while UDAG achieved its goal of "inject[ing] financial capital into depressed urban areas in the hopes of drawing private capital," it failed to "question the type of private investments made and their long-term sustainability in the changing economy."⁸³

74. *See id.*

75. *See id.*

76. *See id.* (citing Jerry A. Webman, *UDAG, A Targeted Urban Economic Program: Initial Directions and Prospects*, in *THE URBAN DEVELOPMENT ACTION GRANT PROGRAM: PAPERS AND CONFERENCE PROCEEDINGS ON ITS FIRST TWO YEARS OF OPERATION* 87-88 (Richard P. Nathan & Jerry A. Webman eds., 1980)).

77. *Id.* at 17 (citing Amy Shriver Dreussi & Peter Leahy, *Urban Development Action Grants Revisited*, 17 *REV. OF POL'Y RES.* 120, 121 (2000)).

78. *See id.*

79. *Id.*

80. *See id.*

81. *See id.*

82. *See id.* (citing Dreussi & Leahy, *supra* note 77).

83. *Id.*

5. Empowerment Zones (1993 to the Present)

Congress authorized the Empowerment Zones (EZs) program in 1993, in part to make an effort to focus federal funding and tax incentives on blighted urban communities that were continuing to decline in the late 1980s and early 1990s.⁸⁴ The return to extensive community participation in federal urban redevelopment policy defined the EZs program.⁸⁵ The EZs concept “was the idea that job creation, economic activity, and physical improvements could be encouraged through targeting geographically defined blighted urban areas.”⁸⁶ Applicants needed to define an EZ geographically; develop a plan; demonstrate substantial coordination among local governments, local businesses, community organizations, and community residents; and to create a governance configuration for implementation of the plan.⁸⁷ The most significant difference between the EZs program and earlier federal urban redevelopment programs is the greater role for the community in both the application and planning process.⁸⁸

The EZs program placed great significance on community participation, requiring cities to involve community members in devising a strategic plan, identifying community resources, and identifying sources of private investment in an EZ application.⁸⁹ Further, once awarded, the federal grant money was under the control of local community groups. These groups oversaw the execution of the redevelopment plan with the aid of public officials and private developers.⁹⁰

However, despite the significant community participation required by the EZs program, recent studies have emphasized great concern regarding the success of the program, including “that community participation was typically strongest in the planning and application process but decreased significantly at the implementation stage.”⁹¹

84. *See id.*

85. *See id.*

86. *Id.* at 18 (citing John McCarthy, *U.S. Urban Empowerment Zones*, 15 LAND USE POL’Y 319 (1998)).

87. *See id.* (citing Deirdre Oakley & Hui-shien Tsao, *A New Way of Revitalizing Distressed Urban Communities? Assessing the Impact of the Federal Empowerment Zone Program*, 28 J. URB. AFF. 443, 444 (2006)).

88. *See id.*

89. *See id.*

90. *See id.*

91. *Id.* at 18–19 (citing Marilyn Gittel, Kathe Newman, Janice Bockmeyer & Robert Lindsay, *Expanding Civic Opportunity: Urban Empowerment Zones*, 33 URB. AFF. REV. 530 (1998)).

C. Examples of CBAs Across the United States

In contrast to the federal redevelopment programs outlined above, which generally required community involvement but largely excluded the community from the negotiation table, CBAs are a relatively new community empowerment tool that allow community groups to both organize and negotiate directly with developers.⁹² After the negotiation of the first major CBA in Los Angeles in 2001, the use of such agreements began to spread across the country.⁹³ Cities such as Atlanta, Denver, Detroit, Miami, Milwaukee, New York, and Seattle have all utilized CBAs.⁹⁴ Examples of CBAs used in Los Angeles, California and Brooklyn, New York follow.

1. Staples Center in Los Angeles, California

"The first 'full-fledged' CBA" was the CBA negotiated while the Staples Center sports arena was under development.⁹⁵ After the developer did not provide the benefits promised orally to the community upon completion of the first phase of the development project, community residents hoped a CBA would guarantee that the developer would provide the benefits promised in relation to the second phase of the project.⁹⁶ The Staples Center CBA is "one of the most comprehensive CBAs made to date."⁹⁷ The community had significant leverage to

92. See *id.* at 19; Salkin & Lavine, *supra* note 34, at 292.

93. See Ho, *supra* note 16, at 8.

94. See *id.*; Salkin & Lavine, *supra* note 34, at 318; Stephanie M. Gurgol, *Won't You Be My Neighbor? Ensuring Productive Land Use Through Enforceable Community Benefits Agreements*, 46 U. TOL. L. REV. 473 (2015).

95. Salkin & Lavine, *supra* note 34, at 302.

96. See *id.*

97. *Id.* at 303. See GROSS, LEROY & JANIS-APARICIO, *supra* note 35, at 14.

The Staples CBA was a tremendous achievement in several respects. It include[d] an unprecedented array of community benefits, including: a developer-funded assessment of community park & recreation needs, and a \$1 million commitment toward meeting those needs; a goal that 70% of the jobs created in the project will pay the City's living wage, and consultation with the coalition on selection of tenants; a first source hiring program targeting job opportunities to low-income individuals and those displaced by the project; increased affordable housing requirements in the housing component of the project, and a commitment of seed money for other affordable housing projects; developer funding for a residential parking program for surrounding neighborhoods; and standards for responsible contracting and leasing decisions by the developer.

Id.

negotiate an all-inclusive CBA because the project required substantial city subsidies and land use variances.⁹⁸

Negotiations regarding this CBA took place between the developer and a coalition that represented more than thirty community organizations.⁹⁹ The purpose of the completed agreement was to “provide publicly accessible park space” and recreational facilities, permanent affordable housing, and basic community services, as well as to target employment opportunities to local residents, and to address traffic, parking, and public safety issues.¹⁰⁰ The Staples Center CBA also incorporated reporting requirements and created a committee to monitor and enforce the CBA, as well as to support an ongoing discussion between the coalition and the developer.¹⁰¹ The intended purpose of these provisions was to foster transparency between the parties, which CBA experts note is key to a CBA’s success.¹⁰²

Since the completion of the Staples Center, the developer has implemented the provisions of the CBA with few problems.¹⁰³ To allow both the coalition and the city to assess the fulfillment of the requirements specified, the developer issued annual reports describing the number of living wage jobs generated by the project.¹⁰⁴ The coalition

98. See Salkin & Lavine, *supra* note 34, at 302.

99. See *id.*

Negotiations were held between the developer and the Figueroa Corridor Coalition for Economic Justice, which represented more than thirty community organizations, including environmental groups, church groups, health organizations, and immigrants’ and tenants’ rights supporters. Strategic Action for a Just Economy (SAJE) and LAANE were also involved in the negotiating process, providing organizational and political support to the coalition and community members.

Id.

100. See THE PARTNERSHIP FOR WORKING FAMILIES, LOS ANGELES SPORTS AND ENTERTAINMENT DISTRICT CBA A-1 (2001), <http://www.forworkingfamilies.org/sites/pwf/files/resources/CBALosAngelesSportsAndEntertainmentDistrictProject.pdf>.

101. See Salkin & Lavine, *supra* note 34, at 303.

102. See Gurgol, *supra* note 94, at 489 (citing Salkin & Lavine, *supra* note 34, at 330).

103. See Salkin & Lavine, *supra* note 34, at 303–04 (citing LAURIE KAYE & JERILYN LOPEZ MENDOZA, ENVTL. DEF., EVERYBODY WINS: LESSONS FROM NEGOTIATING COMMUNITY BENEFITS AGREEMENTS IN LOS ANGELES 2.11 (2008), <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/paper-kaye-mendoza.pdf>); see also GROSS, LEROY & JANIS-APARICIO, *supra* note 35, at 31 (stating “some of the challenges . . . faced during the implementation process for the Staples CBA” included the “[n]eed for leadership development training for grassroots community member participants,” the need for “[v]arying understandings of particulars of the CBA,” and the “[c]ontinued cooperation and involvement among coalition members”).

104. See Salkin & Lavine, *supra* note 34, at 304 (citing KAYE & MENDOZA, *supra* note 103).

and developer have also held quarterly meetings to monitor the CBA's implementation.¹⁰⁵

2. *Atlantic Yards in Brooklyn, New York*

The first CBA implemented in New York was in 2005 in relation to the development of the Barclays Center arena.¹⁰⁶ The proposed development also included an attached complex made up of high-rise buildings for both residential and office use.¹⁰⁷ The project faced widespread resistance from community residents from its inception, principally due to the involvement of eminent domain.¹⁰⁸

The Atlantic Yards CBA was ostensibly based on the Staples Center CBA.¹⁰⁹ Eight community groups¹¹⁰ negotiated the agreement, which "includes affordable housing, living wage, first source, and minority

105. See *id.*; see also TASK FORCE ON PUB. BENEFIT AGREEMENTS, CITY OF N.Y., RECOMMENDATIONS OF THE TASK FORCE ON PUBLIC BENEFIT AGREEMENTS 42 (2010), <http://landuselaw.wustl.edu/Articles/Community%20Benefits%20Agreements%20Task-Force-Report-Final.pdf>.

\$1 million has been spent on parks with priorities for the funding determined through a series of community meetings and workshops; [a]bout 300 units of inclusionary affordable housing have been financed, and a revolving loan fund for local businesses has revolved several times; and [f]rom September 2007 through December 2007, 338 local workers had been placed in jobs onsite.

Id.

106. See Salkin & Lavine, *supra* note 34, at 309; Gurgol, *supra* note 94, at 489.

107. See Salkin & Lavine, *supra* note 34, at 309 (citing Press Release, N.Y.C. Dep't of Hous. Pres. & Dev., Mayor Michael R. Bloomberg, Forest City Ratner CEO and President Bruce Ratner and Civic Leaders Sign Community Benefits Agreement (June 27, 2005), <http://www1.nyc.gov/office-of-the-mayor/news/248-05/mayor-michael-bloomberg-forest-city-ratner-ceo-president-bruce-ratner-civic-leaders>).

108. See *id.* (first citing Nicholas Confessore, *A Blogfest Over a Project in Brooklyn*, N.Y. TIMES (Apr. 16, 2006), <http://www.nytimes.com/2006/04/16/nyregion/16yards.html>; then citing ATLANTIC YARDS REPORT, <http://atlanticyardsreport.blogspot.com> (last visited Apr. 9, 2018); then citing DEVELOP – DON'T DESTROY. BROOKLYN, <http://www.dddb.net> (last visited Apr. 9, 2018); and then citing NO LAND GRAB, <http://www.nolandgrab.org> (last visited Apr. 9, 2018)).

109. See *id.*

110. See *id.*

The groups involved in the negotiations were the Faith in Action, the Association of Community Organizations for Reform Now (ACORN), Brooklyn United for Innovative Local Development (BUILD), Brooklyn Voices for Children, the Downtown Brooklyn Neighborhood Alliance (DBNA), Brooklyn Endeavor Experience (BEE), the New York State Association of Minority Contractors (NYSAMC) and the Public Housing Communities (PHC).

Id. (citing Atlantic Yards Community Benefits Agreement, <http://www.beegreennow.org/images/Community%20Benefits%20Agreement.pdf>).

hiring provisions, a commitment to build a day care center, and the perk of free basketball tickets for neighborhood residents.”¹¹¹ While the CBA includes several important benefits, “actual and perceived improprieties in the negotiating process” prompted negative reactions to it.¹¹² For example, the Atlantic Yards CBA has faced criticism due to the creation of many of the coalition member groups solely to negotiate the agreement.¹¹³ Further, the perception that the coalition was not actually representative of the community was the primary problem with the agreement.¹¹⁴ Many Brooklyn residents were not invited to participate in the negotiations, which were purportedly led by community members that were outwardly already on the developer’s side, likely making the CBA weaker than it could have been.¹¹⁵

Implementation of some of the chief provisions of the CBA did not go as smoothly as it did with the Staples Center in Los Angeles.¹¹⁶ Also, due to the extent of the criticism of the Atlantic Yards CBA process, other CBA negotiators in New York have unambiguously chosen to avoid the model used in Brooklyn.¹¹⁷

D. Community Benefits Ordinance in Detroit

1. Historical Context

Beginning in January 2013, multiple community-based organizations in Detroit came together and discussed the numerous large-scale development projects taking place across the city, including: “a \$2.1

111. *Id.* at 310.

112. *Id.*

113. *See id.*

114. *See id.* at 311–12.

115. *See id.*

116. *See id.* at 312 (noting that major provisions of the CBA had yet to be implemented); *see also* TASK FORCE ON PUB. BENEFIT AGREEMENTS, *supra* note 105, at 35.

Specific implementation timeframes and reporting requirements are absent with respect to the other CBA terms. In the event [that the developer] fails to perform a term or provision, the [community] [c]oalition must provide written notice documenting the alleged default and offer to meet to resolve the issue. [The Developer] then has 60 days to cure the alleged default. If the parties are unable to resolve the disagreement, they may request assignment of an independent mediator at [the developer]’s expense. The [c]oalition may also elect to waive the default to pursue binding arbitration or judicial remedies. There are also similar provisions in the agreement to address default by a [c]oalition member.

Id.

117. *See* Salkin & Lavine, *supra* note 34, at 314.

billion international bridge project; a \$500 million hospital expansion project; a new \$450 million hockey arena; and a \$30 million grocery store.”¹¹⁸ Collectively, the group expressed the need to create a city ordinance that would get the community involved in the early stages of such proposed developments to ensure the impacted neighborhoods would receive important benefits.¹¹⁹ Ultimately, the Equitable Detroit Coalition (EDC), “an association of individuals; small businesses; and neighborhood, faith-based, and community organizations,” formed.¹²⁰

The EDC’s mission is: “to foster beneficial relationships between developers and the Detroit community by facilitating open and honest dialogue and to assist developers, funded by public dollars, to become corporate neighbors who are transparent in their relationship with the community.”¹²¹ EDC members consulted City of Detroit Councilwoman Brenda Jones to determine how to accomplish their goal of requiring large-scale developers to involve local communities in proposed development plans.¹²² Councilwoman Jones made a motion at the next City Council session to look into an ordinance requiring community benefits.¹²³

In 2014, the Sugar Law Center for Economic and Social Justice introduced the first draft of a proposed community benefits ordinance (CBO), both in support of the EDC’s mission, and as requested by Detroit City Council.¹²⁴ The proposed CBO would require the incorporation of a CBA into every future development project that met certain specifications.¹²⁵ Such an ordinance requiring community benefits would be the first of its kind in the United States.¹²⁶

Since then, state and local entities have opposed such an ordinance.¹²⁷ At the local level, City of Detroit Mayor Mike Duggan’s administration indicated publicly that it thought a CBO would create too

118. Desiree Hatcher, *Detroit’s Proposed Community Benefits Ordinance*, 3 PROFITWISE NEWS & VIEWS 4, 6 (2015), <http://detroitpeoplesplatform.org/2015/12/detroits-proposed-community-benefits-ordinance/>.

119. *See id.*

120. *Id.*

121. *Id.* (quoting *About EDC*, EQUITABLE DET. COALITION (Nov. 6, 2016), <http://www.equitabledetroit.org/about-edc/>).

122. *See id.*

123. *See id.*

124. *See id.*

125. *See* Kirk Pinho, *Community Benefits Ordinances Disturb Developers*, CRAIN’S DETROIT BUS. (July 24, 2016), <http://www.crainsdetroit.com/article/20160724/NEWS/160729916/community-benefits-ordinances-disturb-developers>.

126. *See* Hatcher, *supra* note 118, at 6.

127. *See id.*

many hurdles for developers, discouraging them from redeveloping in Detroit.¹²⁸ At the state level, Michigan legislators have fought since December 2014 to ban CBOs.¹²⁹ On January 22, 2015, the Committee on Commerce and Trade introduced House Bill 4052, the “Local Government Labor Regulatory Limitation Act,” which “prohibit[s] local governments from making tax breaks or subsidies conditional on the wage, benefit, and hiring policies of businesses” but “allow[s] cities to negotiate the terms and conditions of contracts with businesses outside of wages and benefits.”¹³⁰ The bill passed by a 57 to 52 vote in the House of Representatives on May 20, 2015, and a 22 to 16 vote in the Senate on June 11, 2015, and Michigan Governor Rick Snyder signed the bill into law on June 30, 2015.¹³¹ The Act forbids local governments from legally imposing certain guidelines on employers, including any requirement that was an attempt to regulate the employment relationship to a degree that surpassed state or federal requirements.¹³²

2. November 2016 Ballot Proposals

There were two competing CBO proposals on the November 2016 ballot in Detroit.¹³³ Rise Together Detroit, a coalition of community groups and others, including the Sugar Law Center, organized Proposal A.¹³⁴ Nearly identical to an ordinance that Brenda Jones, now City Council President, introduced earlier in 2016,¹³⁵ this proposal “require[d] that tier-one projects of \$15 million or more that receive \$300,000 or more in [benefits] like tax abatements or incentives enter into a legally binding community benefits agreement with a group of ‘representative residents, businesses and nonprofit organizations’ within the ‘host

128. *See id.* at 7.

129. *See id.*

130. *Id.* (citing H.R. 4052, 98th Leg., Reg. Sess. (Mich. 2015)).

131. *See id.*; H.R. 4052, 98th Leg., Reg. Sess. (Mich. 2015).

132. *See Hatcher, supra* note 118, at 7.

[T]he new law: “prohibits a local governmental body from adopting, enforcing, or administering an ordinance, policy, or resolution that imposes certain requirements or regulations on an employer, including a requirement to pay more than the minimum hourly wage, provide paid or unpaid leave time, or provide benefits that impose a cost on the employer, or that regulated the employment relationship in a way that exceeds state or federal requirements.”

Id. (quoting H.R. 4052, 98th Leg., Reg. Sess. (Mich. 2015)).

133. *See* Pinho, *supra* note 125.

134. *See id.*

135. *See id.*

community” which would define exactly what the developer would provide the community affected by the development.¹³⁶

City Councilman Scott Benson introduced the second ordinance, Proposal B, a “hybrid CBA ordinance.”¹³⁷ This proposal “require[d] community benefits agreements for developments of \$75 million or more and receiving \$1 million or more in public incentives or on property with a cumulative market value of \$1 million or more that was sold or transferred to a developer.”¹³⁸ While many community members and groups favored the first proposal, developers favored the second, because of the perceived mechanisms for certainty and accountability it created, as well as the permitted involvement of city government, and protection of small investors who are most sensitive to obstacles.¹³⁹

With both proposals on the ballot, the proposal with the most votes would win.¹⁴⁰ However, if neither received at least fifty percent of the vote, both would fail.¹⁴¹ According to official results from the November 8, 2016 general election, Proposal A failed with 116,255 votes against (54.22%), and Proposal B passed with 114,081 votes in favor (53.33%).¹⁴²

As the above historical background demonstrates, while CBAs are the latest tool for community members to attempt to increase their influence in urban development projects, programs for the negotiation of public benefits related to redevelopment have been around since the late 1940s. While Detroit may now be the first city in the country to pass a CBO, it is still unclear if that will change the CBA context in Detroit. As demonstrated by the above examples in California and New York, residents have obtained CBAs without citywide ordinances in the past. Thus, the impact of the passage of Proposal B is presently unknown.

III. ANALYSIS

A. Inadequacies of a CBO

The most prominent difference between the two proposals on the November 2016 ballot in Detroit was that Proposal B’s thresholds to activate community involvement were higher than Proposal A’s, and thus

136. *Id.*

137. *See id.*

138. *Id.*

139. *See id.*

140. *See id.*

141. *See id.*

142. CITY OF DETROIT, OFFICIAL GEN. ELECTION RESULTS (2016), <http://www.waynecounty.com/documents/exec/clerk/1622det.pdf#toolbar=1&view=FitH>.

would likely apply to fewer development projects than Proposal A.¹⁴³ According to City Council President Jones, the \$75 million threshold in Proposal B renders it “virtually meaningless” as only one of the fifty-five development deals approved by Mayor Duggan’s administration has met this mark.¹⁴⁴ The victorious Proposal B was favorable to many because the “language [was] prescriptive regarding how community representatives [would be] chosen and what the negotiation process [would] look[] like.”¹⁴⁵ In contrast, Proposal A’s “looser” language, which proponents of Proposal B feared was too vague, lacked a specific timeline for negotiations, and would allow for the selection of representatives from outside of the city of Detroit.¹⁴⁶ While Proposal B requires city representatives to take part in negotiations between the community and developer, it does not require developers to sign a contract with the community representatives, which proponents of Proposal A believe is necessary for holding developers accountable to the community.¹⁴⁷ Thus, while Proposal B may have won out over Proposal A, neither was the perfect mechanism for community equity in Detroit. Thus, it is necessary to explore alternatives to CBAs and CBOs that include favorable aspects from both sides of the debate.

While CBAs may appear to be a “win-win” to both the community groups that initiate them and the developers who receive approval for their development projects as well as subsidy packages from the city, the use and negotiation of CBAs are still tremendously controversial.¹⁴⁸ There have been criticisms that CBAs add volatility and delay, and increase the costs of development projects.¹⁴⁹ This holds true even for those CBAs perceived as having been successful, such as the Staples Center CBA in Los Angeles discussed above, which implemented reporting requirements and an enforcement and monitoring committee.¹⁵⁰ Weak tools for monitoring and enforcement have led to the characterization of many past CBAs as lacking both accountability and transparency.¹⁵¹ Those projects negotiated by coalitions made up of

143. See Louis Aguilar, *Detroit Voters Face Test on Big Development Deals*, DETROIT NEWS (Nov. 5, 2016), <http://www.detroitnews.com/story/news/politics/2016/11/05/detroits-community-benefits-proposals/93357674/>.

144. See *id.*

145. Shelby Jouppe, *Voter’s Guide to Detroit Proposals A, B*, WDET (Nov. 7, 2016), <http://wdet.org/posts/2016/11/07/84050-voters-guide-to-detroit-proposals-a-b/>.

146. See *id.*

147. See *id.*

148. See TASK FORCE ON PUB. BENEFIT AGREEMENTS, *supra* note 105, at 5.

149. See *id.*

150. See Salkin & Lavine, *supra* note 34, at 302.

151. See TASK FORCE ON PUB. BENEFIT AGREEMENTS, *supra* note 105, at 19.

organizations located outside of the area in which the development project is taking place have seen these issues with accountability;¹⁵² for example, the Atlantic Yards CBA in Brooklyn had a coalition perceived as not being actually representative of the community.¹⁵³ This often occurs because “[t]here is no way to determine how these self-selected groups are accountable to local residents who did not appoint or elect a coalition to represent them.”¹⁵⁴ Some developers fear that demands from the community will suspend construction, endanger financing, or even make projects unprofitable.¹⁵⁵ Consequently, “[i]n March 2010, the New York City Bar Association recommended that the City of New York either refuse to consider CBAs in the land use approval process or consider only those CBAs that conform to clear and uniform standards.”¹⁵⁶

B. An Alternative Strategy for Community Equity

Due to the inconsistencies with CBAs, these agreements are likely not the most effective way to balance the interests of the community against the interests of a developer. Instead, there is a need for a community equity strategy that incorporates principles of accountability, transparency, fairness, feasibility, monitoring, and enforceability.¹⁵⁷ An alternative mechanism would include a process for community participation, identification of community needs, assessment of the impact on the community, and implementation.¹⁵⁸ A more favorable approach would be to create a community benefits fund modeled after a program initiated by the City of Detroit in connection with the Model Cities program in the late 1960's and early 1970's.

1. Citizens Urban Opportunity Fund

Local units of government were responsible for administering the federal Model Cities program that lasted from 1966 to 1974.¹⁵⁹ The Detroit Model Cities program operated under a letter of credit issued by

152. See *id.* at 5.

153. See Salkin & Lavine, *supra* note 34, at 311–12.

154. TASK FORCE ON PUB. BENEFIT AGREEMENTS, *supra* note 105, at 5.

155. See *id.* at 19.

156. *Id.* at 5.

157. See *id.* at 24–29.

158. See *id.* at 32–33.

159. See CITIZENS URBAN OPPORTUNITY FUND, RESPONSE BY CITIZENS URBAN OPPORTUNITY FUND TO REPORTS DATED OCT 9 AND 20, 1970 BY CITY OF DETROIT (1970).

HUD in favor of the City of Detroit¹⁶⁰ and included the formation of a community opportunity fund called the "Citizen's Urban Opportunity Fund" (CUOF).¹⁶¹

CUOF originated as "an innovative program to be directed by citizens of the Model Neighborhood Area."¹⁶² CUOF operated under a contract between the Citizen's Urban Opportunity Fund, a non-profit corporation,¹⁶³ and the City of Detroit.¹⁶⁴ The contract involved a grant from the City's Model Neighborhood Agency, and allowed the CUOF to "provide a combination of grants and/or loans to individuals and neighborhood groups for a variety of self-help and community improvement purposes."¹⁶⁵ The Board of Directors of CUOF, comprised primarily of residents of the Model Neighborhood Area,¹⁶⁶ was responsible for setting the policies and approving the grant applications, for example, for household repairs, tuition costs, and the opening of small businesses.¹⁶⁷

Ultimately, the city's administration raised questions regarding the management of CUOF, particularly conflicts of interest in the grant approval process.¹⁶⁸ The area director of HUD even characterized some grant application approvals as "a clear and convincing case of gross mismanagement."¹⁶⁹ Nevertheless, the program ended shortly thereafter.

2. *A Community Benefits Fund*

The CUOF model incorporated the creation of a corporate entity that was the recipient of a governmental grant to be employed for the benefit of the community. From this example, a proposed alternative to the use of a CBO in Detroit would be for the city to create a fund in the form of a non-profit corporation for the benefit of the community in the areas surrounding proposed development projects. Residents of that community would control the fund and use its assets for their benefit as they see fit. This entity would have a board of directors comprised of representatives from the city that would be responsible for determining

160. *See id.*

161. *See id.*

162. *Id.*

163. *See generally* Transcript of Proceedings, *Citizens Urban Opportunity Fund, Inc. v. City of Detroit*, No. 165676, (Mich. Cir. Ct. Sept. 25, 1970),

164. *See* OFFICE OF THE CONTROLLER, CITY OF DETROIT, REPORT ON CITIZENS URBAN OPPORTUNITY FUND (1970).

165. CITIZENS URBAN OPPORTUNITY FUND, *supra* note 159.

166. *See id.*

167. *See id.*

168. *See* OFFICE OF THE CONTROLLER, *supra* note 164.

169. *Id.*

the type of benefits to provide. The city would finance the community fund, with the funds generated from the project itself, rather than from the city's general fund. This would be accomplished through either a capture of the real property taxes from the project, or, if the project is tax exempt, through a required payment by the project to the community fund in lieu of taxes for a fixed period.

For this to work long-term, in contrast to CUOF which only lasted a brief period, there would need to be clear guidelines and policies regarding the provision of benefits. Further, there would need to be a requirement of annual reports and quarterly meetings open to the public, as those were two aspects that made the Staples Center CBA, among others, successful.¹⁷⁰ Finally, for a community benefits fund to be successful, it would be essential that the board members would be representative of the community, one of the main criticisms of the Atlantic Yards CBA.¹⁷¹ In that regard, to protect the interests of all involved, the board members would need to be representative of both the city as a whole, as well as the discrete areas affected by the projects. This is important because representatives of the entire city would likely care about securing benefits such as job training for all residents, while representatives of the discrete areas affected would likely pursue the provision of benefits like affordable housing for those displaced by a particular development project.

Thus, while the use of CBAs may be becoming the norm in the urban redevelopment process, their use is still quite controversial. Further, while Detroit may be the first city in the United States to have a CBO requiring such agreements for certain development projects, it is still unknown whether the CBO will solve any of the concerns with the current CBA model. Instead, a community benefits fund modeled after the CUOF in Detroit during the Model Cities era would be a more effective way to ensure there is accountability, transparency, fairness, feasibility, monitoring, and enforceability in the process.

IV. CONCLUSION

As cities like Detroit continue to see economic growth and development in their downtown areas, the need for an effective mechanism to achieve community equity is becoming increasingly important. However, as demonstrated in this Note, a CBO may not be the most effective means to balance the interests of the community and private developers. An alternative method for providing community

170. See Gurgol, *supra* note 94, at 489.

171. See Salkin & Lavine, *supra* note 34, at 311-12.

benefits, through a community benefits fund operated as a non-profit corporation, furnished by the city and controlled by the residents of the affected community, would be a more effective alternative to a CBO, as it would place the authority to provide community benefits in the correct place: with the local government.