

Community Benefits Ordinance and Community Land Trusts

Frequently Asked Questions

What are community benefits?

In Detroit, it typically refers to the city's Community Benefits Ordinance (CBO). It's a law that requires developers to proactively engage with the community to identify ways nearby residents may actually benefit from certain development projects. It also requires developers to address potential negative impacts of those projects before they begin.

When does the CBO apply?

- When a project has \$75M or more in value
- Receives \$1M or more in property tax abatements
- Receives \$1M or more in value of city land sale or transfer

Some notable projects that went through the CBO process include District Detroit, The Hudsons Site, Michigan Central, and the Detroit Pistons Training Facility.

What is a Neighborhood Advisory Council?

When a project needs to go through the CBO process, a Neighborhood Advisory Council is created. It's a 9-member board made up of residents from the project's impact area. The board works directly with the developer to establish what the community gets from the deal. Final Community Benefits Agreements (CBAs) must be approved by City Council.

More resources

- Detroit Justice Center: detroitjustice.org/community-land-trust-powerpoint
- Detroit People's Platform: detroitpeoplesplatform.org/economic-justice/community-benefits-ordinance-and-nac-responsibilities

What are Community Land Trusts?

A Community Land Trust (or CLT) is a community-owned nonprofit that acquires, holds, and sometimes manages land, leasing it to others for residential, commercial, or agricultural uses. It is a way to do community-led development of individually owned buildings on community-owned land.

What are the benefits of a Community Land Trust?

The main benefits of a CLT are that it can limit the barriers to property ownership for residents. Other benefits include:

- Preserving affordable housing
- Creating economically diverse communities
- Discouraging predatory lending practices and reducing foreclosure

What can you do with a Community Land Trust?

- Varied housing options (single, multi-family)
- Green infrastructure (bioretention, green alleys)
- Urban gardens and farms
- Cooperative/neighborhood-based businesses
- Common areas (dog parks, community centers)
- Collaborative programs (trade/ art programs)
- Employment, training and education programs

