

Jeffrey: Hello and welcome to this edition of Community and University, your one-stop shop on the latest on community and economic development. I am your host, Jeffrey Franklin, and today I'm joined by my guest, Sam Butler. Sam is the executive director of Doing Development Differently in Metro Detroit or D4. D4 is a nonprofit organization focused on equitable and sustainable development practices for our communities. Same as also a one of the authors of our 2019 Co-learning plans. Sam, can you tell us a little bit about what you do?

Sam Butler: Sure. So, um, at D4 we're really interested in how do we use the real estate development process to um, further social equity, right? So we're really interested in environmental sustainability. How do we make buildings and cities more environmentally friendly? How do we make sure that, uh, neighborhoods and cities are more affordable? Uh, also we want to make sure that if something is built in a community, how do we make sure that like local residents are the ones actually employed and taking up the jobs in that development.

Jeffrey: Awesome. So your co-learning project is focused on creating insertion points, what you call "community benefit provisions." So as to ensure residents of these communities have a say in how things are developed in their neighborhoods. Can you tell us what community benefit provisions are and then more in a more broad way what your Co-learning plan is doing with them?

Sam Butler: Yeah, so we're interested in anything that can require more affordable housing, green building practices, local hiring or training provisions. Uh, we're also interested in anything that can give community members a earlier notice in terms of what is getting built in their community because if they know what's going to be built in their neighborhoods sooner, then they can self organize and get their thoughts together about what they would want that to look like. Um, so, you know, I mean, community benefits are something that already happened in many projects around the country, sometimes with or without discrete community benefit agreements. Um, but we just want to formalize that a little bit more.

Jeffrey: Um, so as you were going through doing the research for this project, was there anything that surprised you that you found or...

Sam Butler: yeah.

Jeffrey: Tell us about that.

Sam Butler: Yeah, so I mean, I think one of the things that surprised me is that Michigan communities are already working on this stuff, but they aren't talking to each other about how to make it more perfect. Right? Um, so to give a little bit more specificity about what I'm talking about. Um, you know, uh, Ann Arbor has a citizen participation ordinance. So basically that says anytime a developer's going to go before city council to build something or request like a rezoning, they have to have a community meeting. Uh, that's actually a really cool thing that they do that. And they, and based on our interviews, it's been successful, but we've also talked to some other communities in

Michigan that are interested in doing that. And they had no idea that Ann Arbor is already doing that and that it can be even legal in Michigan. Um, you know, in Detroit, we, Detroit, you know, we'll talk a lot about its community benefits ordinance. Um, but a lot of people in Detroit don't have no idea that grand rapids also has a similar ordinance, which they call their voluntary economic development agreements. Um, so there's a lot of synergy that can happen in Michigan communities that I think my co-learning plan will help illuminate on how we can improve these practices and how we can yeah, learn from each other as well as other cities around the country.

Jeffrey: So what obstacles has a community like Ann Arbor or other communities will they face or have they faced and kind of trying to get these things to be put in place?

Sam Butler: Yeah. Um, so I mean a lot of it is political will, uh, and, and also just market realities. So if we are going to put extra constraints on developers in terms of how they build their projects, um, you need to make sure that they're incentivized to do so. Um, which is why like one of the things that we're going to be highlighting a lot in our paper is incentive zoning. So this is something that a lot of cities do around the country and the way other cities do it around the country is they'll say, you know, if you provide these community benefits, if you do more affordable housing, more public space more green building, et Cetera, uh, you can build a denser building, you can build a taller, which means more money for the, for the developer. Um, however, in Michigan, a lot of our cities are still weak market cities, uh, which means we're still struggling to attract a lot of attention and investment from developers. Uh, so we aren't, I'm not totally convinced that high and density bonuses are the best way to go, but we're going to have some other ideas in our paper about, um, other ways that Michigan communities can incentivize the type of cool progressive community benefits we're talking about.

Jeffrey: So is that kind of what you're going to talk about in your presentation? Like what sort of provisions you will be implement... Or hoping to implement? Um, kind of like this height provision that you were just talking about?

Sam Butler: Right. Its totally wonky and I, and I realize that, right? Um, so I think in terms of like what are the actual benefits, I know I already mentioned affordable housing, environmental stuff, local hiring. I think there are some communities that identify, "here are the specific things we want. Here are the outcomes that we are looking for." There's another way to approach it where we're saying, you know what, we don't know specifically what we're gonna be looking for. It's up to the community and engaging the community to identify what they want. Um, but once you identify the type of community benefit you're going after, then there's a whole host of ways that you can insert that into the development project. And I do think that because Michigan's market is what it is, we need to find ways to incentivize it, right? Like we can't just demand it. Um, as a quick background, right? A lot of the community benefits movement around the country was founded in southern California and New York, things like that. I'm sure I don't have to tell you that southern California and New York have very different real estate markets than Michigan. Right? Um, so therefore, you know, those governments can just demand and require certain things knowing that developers will meet them because there's enough profit in those markets. Sure. Like I said, you know, if we're talking about Michigan communities, the equation get, it becomes a little bit different.

So what my paper is going to be really focusing on is, um, what are some ways that we can still go after these really cool progressive things while also not being extra burdensome to developers?

Jeffrey: Right? I mean, when that happens, business will go elsewhere. So, um, so the summit is on August 29th, Thursday, August 29th, um, at the Kellogg Center on MSU campus, Michigan State's campus. Um, if you'd like to register to attend, you can go to reicenter.org under the events tab, click on the innovate Michigan section and you can register there and there will be breakfast, a light breakfast, provided a bunch of really cool projects will be presented. And then also a box lunch and a reception to follow after the presentations. So it's a really awesome event and you should definitely think about coming. So Sam, after that summit, what will D4's kind of role in getting these, these benefits... Or the community benefit provisions to actually like.. How are you going to advocate for this more after the research? If that makes sense?

Sam Butler: Um, we're going to take our research and come up with specific policy platforms that we're then going to advocate to Detroit city council, Ann Arbor city council, Grand Rapids, like other communities around the state. We're gonna share our findings with those same communities so at least they can like understand what we've learned. But specifically we're going to be pushing for, you know, greater community engagement requirements. Um, more incentive zoning and like really innovative incentive zoning around the state. I think that has a lot of potential. Um, but at the end, then we're going to be building coalitions to go after this stuff. So it needs to be more than just like the policy wonks like myself. Right. We, we also need, um, actual neighborhood residents, right? To, to get into a very mind numbing world of zoning policy

Jeffrey: Policy in general, really.

Sam Butler: Yeah. But, you know, I mean, what's funny... so I've been engaging low income communities, uh, for, over a decade around this stuff, and like when you talk to a low income resident, they feel the disenfranchisement, right? They feel how things are being built in their neighborhood and they have little control over it. Um, so it's not a hard leap to get them to understand that like, you know what, you need to show up to your zoning commission meeting, you need to show up to, you know, your planning committee of City Council. Um, so we're going to be building that coalition, uh, and educating a lot of residents as well as tapping, uh, labor unions. Because I think if we're going to do this effectively, we need to be marrying community groups and labor, uh, to pull this stuff off.

Jeffrey: Um, so can you tell us exactly, you, you've mentioned it a few times, what incentive zoning is and why that's so pertinent to this topic.

Sam Butler: Yeah. So incentives zoning is essentially where a municipal government identifies an area and says in this area we will incentivize developers to provide community benefits in exchange for something. Sometimes that's regulatory relief. Um, sometimes it's extra tax abatements or subsidies. What we've seen most in our research, what we've seen most of all is um, that density bonus, that heights bonus. Okay. Um, but I think in Michigan we really need to be thinking about, um, different types of regulatory relief.

Um, in particular I think the city of New Rochelle, New York does this really well. They actually offer a really cool combination of high bonuses and Regulatory Relief, um, which I can get into if you want. Um, but I think at New Rochelle also has a very transparent menu in terms of if you provide this number of extra affordable units, you get this. If you provide this amount of public space in your project, you get this. You provide, you know, a community art space or a community just gathering space, you get something else. Um, it provides a level of predictability that I think, um, both community members and developers want. Because actually, when this development process happens in smoke-filled back rooms, not only is that bad for democracy, but it also creates a lot of headaches for developers that you want something upfront that they can take to their financiers, take to the banks and say like, listen, it's simple. The math is simple. If we do x, we get y.

Jeffrey: Awesome. And you seem like you want us to talk about regulatory relief. So I will let you do that.

Sam Butler: Yeah, well, well not, you know, giving away too much of what I'm going to be talking about, but um, you know, I think what is really interesting about an example of New Rochelle, um, is there are some pretty strict state environmental requirements. So if you're going to build something in New York, you have to do all of this environmental due diligence and talk about the impact, right? So by building this building, it's going to have the following impact. Sure. When they did ahead of time is the city just did that environmental analysis. And so if you go to the New Rochelle downtown, the developer doesn't have to go through that analysis and spend the money to do it because the government has already done it for them.

Jeffrey: And there's that relief. Yeah. Well, thank you so much Sam. Uh, I appreciate you coming all the way down to Lansing, uh, from Detroit, Detroit. Okay. I really appreciate that. Uh, Rei really appreciates that. Uh, for those listening you can hear Sam present his co-learning plan and there was another..

Sam Butler: Yeah, so I'm going to be presenting on, um, I'm going to be presenting my co-learning plan in research, but then also the university asked me to do just a general overview of community benefits agreements. So our research is trying to figure out how do we evolve community benefits agreements, but I'm also just going to be giving sort of the 101 course.

Jeffrey: You can hear a Sam present those two topics at our innovate Michigan Summit on August 29th. Uh, again, if you would like to register for that, you can find all the information you need on Reicenter.org. That is reicenter.org. Again, thank you Sam so much for coming. Um, and thank you all for listening.