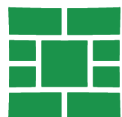




August 27, 2020



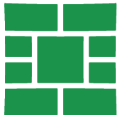
Overview

- Define Community Benefits Agreement (CBA)
- Review five types of community benefits strategies:
 1. Request strong community benefits in government agreements with developers;
 2. Encourage negotiation of private community benefits agreements between developers and community coalitions;
 3. Enact ordinances and policies establishing baseline community benefits for future projects;
 4. Incorporate community benefits into land use planning and policy; and
 5. Convene key stakeholders to reach agreement on community benefits principles for future projects
- With each strategy, examine:
 - When to use
 - Examples
 - Key points to consider
- Determine next steps



What is a Community Benefits Agreement?

- Represents a negotiation between a developer and community group/coalition in the area a developer plans to build
- Contains a set of guidelines the developer will follow to ensure the community benefits from the proposed development occur
- Provides the greatest social, economic and environmental benefit while not harming surrounding neighborhood(s). Benefits may include:
 - ✓ Affordable Housing
 - ✓ Job access and job quality
 - Local/disadvantaged hiring for construction and ongoing jobs
 - Living wages
 - ✓ Financial support
 - Job training
 - Other community needs
 - ✓ Improved project design
 - Additional green/open space
 - Community-serving facilities
- Results in community stakeholders supporting the project



Typical Development Process with No Community Benefits Agreement

Option 1: Development Agreement:

- Developer works with City officials to craft Development Agreement
- Development Agreement approved by City Council

Challenges:

- Little community interaction with those who support/oppose project
- Difficult to get prior priorities into a Development Agreement
- Since Development Agreement is a contract, not a law:
 - ✓ Enforced by City and Developer
 - ✓ May be amended over time

Option 2: Zoning/Land Use Decision:

- Developer makes good faith effort to meet with impacted stakeholders to explain proposed project
- Approved/Denied by City Council
- Decision may or may not include conditions

Challenges:

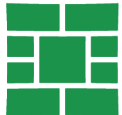
- Plans may change from initial concepts
- Another zoning/land use decision must occur

Neither represent a community benefits process



STRATEGY #1: Request Community Benefits in Development Agreements with Developers and in Conditions Placed on Projects

- Use “Development Agreement” after negotiation happens between the City and developer
 - ✓ What the developer is required to build?
 - ✓ What else is permitted to be built?
 - ✓ What support is the public entity providing for project (land sale/lease, tax credits, cash subsidy, project financing, infrastructure support, relaxation of land use controls)?
 - ✓ What are community benefits the developer will provide?
- Elected officials ask for and work to include community benefits as part of Development Agreement



STRATEGY #1: Oakland, CA



- \$800 million redevelopment of the Oakland Army Base:
 - ✓ Job policies: Requirements for local hire, disadvantaged hire, living wages, limitations on use of temp workers, and community oversight and enforcement
 - ✓ Extensive work between city staff, city councilmembers and a broad range of community stakeholders
 - ✓ Included as part of the Disposition and Development Agreement between Oakland and the developer and made binding on project contractors and tenants
- City and community groups entered agreement where groups agreed to support the project for the delivery of community benefits



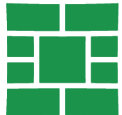
STRATEGY #1: Key Points

- Enable Extensive Community Involvement
 - ✓ Input from stakeholders early in the process
 - ✓ Ongoing community involvement until the final deal is negotiated
 - ✓ Convene community oversight committee with community stakeholders as part of the agreement
- Insist on Effective, Enforceable Measures
 - ✓ Make sure community benefits commitments are as important as other provisions of the agreement
 - ✓ Include frequent reporting requirements
 - ✓ Specify consequences for noncompliance
 - ✓ Avoid vague language
 - ✓ Ask who is responsible for enforcing the agreement and resources are in place
- Be Prepared to Adjust to the Realities of Projects



STRATEGY #2: Encourage Negotiation of a Private CBA between Developer & Community Coalition

- Private CBAs are a legally-binding contract negotiated voluntarily by developer and stakeholders
- Supplement government conditions on project approval—the City is not part of the Private CBA
- Developer provides specified community benefits if the proposed project is approved and built
- Stakeholders waive any legal claims regarding the project and agree to support it
- Tool to strengthen the voice of stakeholders and create a culture of community involvement in economic development decisions
- Stakeholders may lack the necessary leverage or capacity



STRATEGY #2: Kingsbridge (2013)

- Kingsbridge Armory Redevelopment Alliance (KARA) and developer entered into CBA to redevelop Kingsbridge Armory
- Ice sports center with 9 hockey rinks, a 5,000-seat arena and a 50,000 SF community space.
- Under the CBA, the developer agreed to:
 - ✓ Living wages for all workers in the project;
 - ✓ Targeted and local hire for construction and operations jobs;
 - ✓ More than \$8 million in contributions to a community fund;
 - ✓ A grant program for local businesses that employ large numbers of local workers;
 - ✓ Local contracting, M/WBE utilization, and local procurement requirements;
 - ✓ Extensive green building measures and community consultation on environmental issues;
 - ✓ Priority community access to the project's athletic facilities; and
 - ✓ Formal structures for community-based oversight and enforcement of CBA commitments



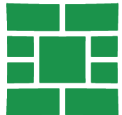
STRATEGY #2: Key Points

- Keep all parties informed about the project as it moves thru process
- Advance community interests when making major land use decisions—don't create conditions of approval
- Allow Community and Developer to Freely Negotiate
 - ✓ Allow the parties to self-select
 - ✓ Enable organic negotiation
- Continue to Press for Community Benefits in project conditions and government agreements



STRATEGY #3: Enact Ordinances & Policies Establishing Baseline Community Benefits For Future Project

- Create an ordinance for a community benefits that sets minimum standards for:
 - ✓ Local hiring
 - ✓ Living wages
 - ✓ Affordable housing
 - ✓ Local business utilization and
 - ✓ Other community benefits
- Include:
 - ✓ Affirmative benefits to neighborhoods and people
 - ✓ Justifying public subsidies and/or discretionary approvals of large projects
- Provide more consistent standards offer developers greater predictability allowing them to plan for and build in community benefits expectations
- Focus on types of projects:
 - ✓ Receiving public subsidy over a certain dollar threshold
 - ✓ Over a certain size that require



STRATEGY #3: Los Angeles (2012) Milwaukee (2004)

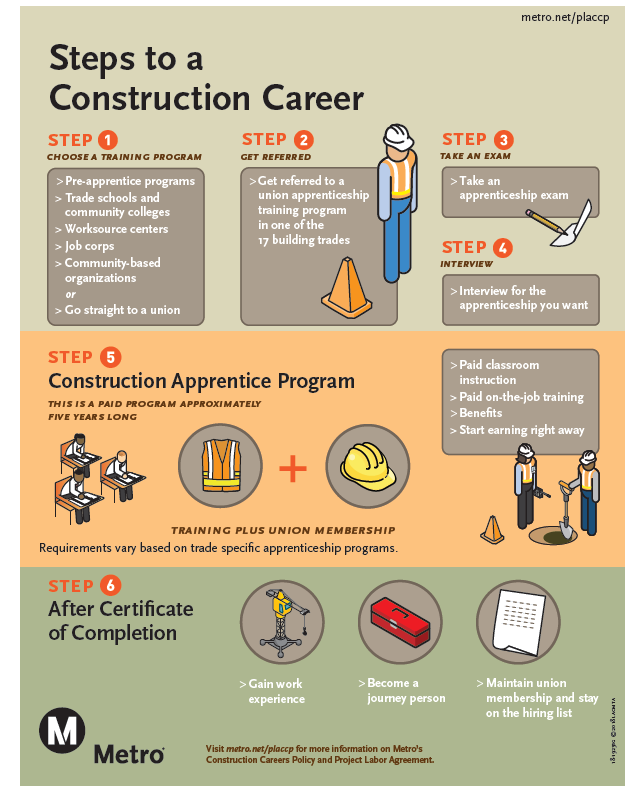


- LA County Metropolitan Transit Agency adopted a Construction Careers Policy and Master Project Labor Agreement:
 - ✓ Applies to projects in a 30-year, multi-billion dollar transit build out, generating over 23,400 construction jobs in the first 5 years.
 - ✓ Sets aside 40% of these jobs for residents of high-poverty communities and low-income individuals with multiple barriers to employment while providing high quality training and decent working conditions and wages
- Milwaukee County Board of Supervisors adopted the Park East Redevelopment Compact with standards for proposals to develop 16-acres of undeveloped land owned by the county:
 - ✓ Requires developers to pay prevailing wages
 - ✓ Favors proposals that include affordable housing, contracting with disadvantaged business enterprises, training and apprenticeship opportunities, green building principles
- Benefit companies and workers from the County



STRATEGY #3: Key Points

- Ensure capacity for implementation with staff
- Clearly state which projects and entities are covered and provide mechanisms by which obligations may apply to intended parties
- Monitor and report frequently
- Provide community enforcement:
 - ✓ Living wage ordinances give affected workers the right to enforce living wage commitments against covered employers
 - ✓ Affordable housing policies give residents of affordable housing units the ability to enforce affordability commitments



STRATEGY #4: Incorporate a Community Benefits Framework into Land Use Planning & Policy

- Require community impact reports to allow for well-informed public discussion about the merits of the proposed project:
 - ✓ Fiscal impact of a project
 - ✓ Number, type and quality of jobs the project will create
 - ✓ Number of affordable housing units the project will include
 - ✓ Other indicators of the project's impact on the neighborhood
 - ✓ The results of such a report can provide a basis for well-informed public debate
- Use zoning and regulatory incentives to incentivize developers to use community benefits
 - ✓ Like inclusionary zoning
- Include community benefits provisions in specific plans, overlay zones and other land use controls



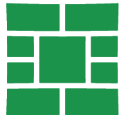
STRATEGY #4: Santa Monica (2010)

- Adopted the Land Use Element and Circulation Elements (LUCE) as part of its General Plan establishing the city's land use, design and transportation vision
- If project exceeded certain development standards, it must incorporate features that will contribute to City's *"overall social, cultural, physical, transportation and environmental goals."*
- 3 tier approach based on the type of development request, its location and level of intensity:
 - ✓ Tier 1: If project meets requirements, approval granted
 - ✓ Tier 2: If project requires an increase in height and/or floor area, developer's application must provide for community benefits
 - ✓ Tier 3: Most major project require the City negotiate a development agreement for the community benefits that will be included in those projects
- City identified list of desired benefits:
 - ✓ On-site affordable housing
 - ✓ Fees for transportation improvements, public space and childcare facilities



STRATEGY #4: Key Points

- Takes work to craft land use policies to advance community benefits and requires careful planning and strategic coordination with city planners and elected officials
- Feasibility studies used to support a significant new land use policy
 - ✓ Counter arguments from opponents
 - ✓ Provide impact of policy on economic development
 - ✓ Assure what a community is likely to gain or lose with a specific project (net gain/loss of housing units, jobs and other services)
- Strong team needed with in-house capacity to effectively develop and implement complex and effective planning and land use plans and policies



STRATEGY #5: Convene Key Stakeholders & Reach Agreement on Community Benefits Principles for Future Projects

- Invite stakeholders to craft an agreement on community benefits principles and create framework for future projects
- Minimize contentious battles as new concepts or circumstances arise
- Establish an agreed-upon policy baseline between stakeholders on key issues
- Require extensive series of meetings with stakeholders convened and facilitated by the elected Council representative with staff support
- Require sustained effort and resources to craft agreement
- Does not result in a legally binding measures



STRATEGY #5: Portland



- Created a *Community Benefits Agreement* template with stakeholders and city officials:
 - ✓ Job quality & access
 - ✓ Contracting with disadvantaged businesses on construction projects
- Adopted resolution encouraging its use on city projects and other projects
- Modified agreement for each project—yet language is place with template
- To date:
 - ✓ Used on 2 public work projects
 - ✓ Stakeholders are working to put it in place for other projects—including wholly private projects



STRATEGY #5: Key Point

- Ensure the public and affected parties understand exactly the intent
 - ✓ Create model language for a wide range of projects
 - ✓ Complete a first step in a process of developing binding language for a specified set of projects

CBA brightens Portland's future



It's the first of its kind in the state of Oregon.

This resolution includes instructions to pilot the CBA template on two upcoming large projects: Kelly Butte Reservoir and the Interstate Maintenance Facility renovation.



Decide Direction Based on Five Strategies

1. Require strong community benefits in government agreements with developers
2. Encourage negotiation of private community benefits agreements between developers and community coalitions
3. Enact ordinances and policies establishing baseline community benefits for future projects
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5. Convene key stakeholders to reach agreement on community benefits principles for future projects

