INVEST, DEMOCRATIZE, ORGANIZE

Lessons on building more equitable cities from Nashville and Raleigh-Durham

PARTNERSHIP
for
Working Families

Estolano LeSar
ADVISORS

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About the Partners

Partnership for Working Families

The Partnership for Working Families is a national network of 19 powerful city and regional affiliates based in major urban areas across the country. We advocate for and support policies and movements that help build more just and sustainable communities where we live and work. We strive to take lessons learned at the local level and apply them to the national conversation to build a framework for addressing climate change, inequality, and racial and social justice. www.forworkingfamilies.org

Estolano LeSar Advisors (ELA)

Estolano LeSar Advisors helps clients build better communities through strategic vision, guided by principle and tempered by pragmatism. We provide fresh solutions to complex problems with our expertise in housing, workforce and economic development, sustainability, transportation, and community engagement. Our clients include public agencies, foundations, business associations, and other stakeholders that are looking to improve their communities. Estolano LeSar Advisors is led by recognized thought leaders supported by a team of diverse technical experts. Cecilia V. Estolano and Jennifer LeSar comprise the leadership team, and bring decades of combined experience to the firm.

Acknowledgements

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Executive Summary

After decades of disinvestment and the Great Recession, cities are making a comeback, especially in the growing and sprawling cities in the Southern U.S. However, without concerted and meaningful intervention from organizers, advocates, and elected leaders, the "business as usual" practices deployed by many developers and corporations will continue to have a negative impact on the most vulnerable communities.

To build real power and victories for working people of color and immigrants, the Partnership's approach focuses on supporting and driving comprehensive trans-local campaigns to transform institutions, such as government, universities and corporations, that have historically benefitted from and perpetuated racialized inequality. We rely on our experience and best practices with diverse community and labor coalitions and our network spanning 19 regions across the country (including our affiliate Georgia STAND-UP in Atlanta). Most recently, the Partnership and Estolano LeSar Advisors have developed a set of recommendations based on lessons learned from implementing an inside-outside strategy with coalitions in Nashville and Raleigh-Durham for how to create more progressive, equitable development in cities.

This document provides tools and resources for groups that are building progressive power and advocating for equitable local development against the backdrop of structural racism and entrenched political opposition existing in many regions of the South. After summarizing existing strategies and case studies, we provide a checklist and guidelines for establishing and moving a successful coalition.

Taking Stock of Innovative Tools for Equitable Development Campaigns

With large-scale development in metropolitan areas across the country, localities are grappling with a housing affordability crisis, the displacement of long-term residents, low and stagnant wages, unemployment, persecution of immigrants, over-policing of communities of color, and a host of other issues affecting their residents. As local governments and residents seek to adopt policies and programs to address these challenges, they are too often confronted by strong state-level opposition that limits their ability to govern. Powerful corporate interests, working closely with state legislators, are securing the passage of state laws that prevent cities from governing on specific issues, override local authority, and halt progressive policies at the city level.

Despite anti-democratic state preemption tactics and reactionary political environments, grassroots coalitions throughout the South are moving forward with city-based strategies to bring equity and democracy into economic development. Organizers are anticipating state interference as they pursue these campaigns. We outline the following tools that organizers and leaders can advocate for to shift towards more equitable development:

▶ Disclosure, Transparency, and Accountability in City Development Processes

▶ Promoting Sustainable and Community-Appropriate Investment

▶ Community Benefits Agreements

▶ Strategies for Increasing Access to Sustainable Careers for Low-Income Residents and People of Color

Recommendations for Building a New Model for Community-Centered Development

Invest in People:

▶ **Leadership development** inside organizations and outside in the community with members and resident leaders is critical to building the confidence and expertise necessary to move a program and campaign.

▶ **Organize, organize, organize!** We must empower residents to expect and want greater access into the development decisions that affect their lives and communities. Building a coalition that represents diverse stakeholders and approaches is crucial. A campaign is only as strong as the people it reaches, beyond boardrooms and council chambers.

▶ **Build power for the long haul, not just short-term solutions.** The tools and strategies we cover are intended to set your communities on a trajectory for building power in our cities beyond just one victory. These tools are about sustaining a movement. There will be losses and struggles in the process.

Democratize Development in Our Cities:

▶ **Build statewide advocacy to ensure cities have all the policymaking tools at their disposal to alleviate crises**, respond to the needs of their residents, and create innovative policies that address displacement, unemployment, low wages, and other issues.

▶ **Adopt transparency and accountability policies** that provide the community with opportunities to learn about and engage in decision making about publicly owned land and publicly subsidized projects in their neighborhoods that will affect their health and well-being.

▶ **Empower communities with the tools and leverage to ensure that development creates benefits** that improve job quality, create jobs and affordable housing, mitigate environmental impacts, and identify other strategies to navigate state interference.

▶ **Enlist elected leaders and local government staff** as partners in developing solutions and in navigating state interference where possible.

Introduction

After decades of disinvestment in urban areas and the Great Recession, cities are making a comeback. Planning and development are on the rise, especially in the South's growing and sprawling cities. However, development must happen with residents in the driver's seat. Without concerted and meaningful intervention, the new investments from developers and corporations that operate using traditional business practices can threaten to displace the most disadvantaged communities.

The Partnership for Working Families is driving a progressive agenda to harness the power of cities and influence billions of dollars in public and private investment. We advance a vision of just, sustainable, and democratic cities by:

▶ Restructuring our economy to reduce income inequality and create greater economic opportunity;

▶ Reshaping our built environment to create healthier communities and slow climate change; and

▶ Remaking our democracy by building power through civic engagement and leadership development, particularly within low-income communities of color.

The Partnership's approach focuses on supporting and driving comprehensive trans-local campaigns that help dismantle and transform institutions such as government, universities, and corporations that historically benefitted from racialized inequality and resource-extractive practices. In the South, especially, capitalism is practiced in ways that perpetuate systems of racialized inequality and negatively affect poor, incarcerated, undocumented, and disenfranchised people. We aim to build real power and victories for working people of color and immigrants.

Based on our experience advising and building power with community and labor coalitions over the last decade, and best practices from our network spanning 19 regions throughout the country (including Georgia STAND-UP in Atlanta), we developed an inventory of tools and resources for groups interested in building progressive power and advocating for more equitable development in their cities. Most recently, the Partnership and Estolano LeSar Advisors developed this set of recommendations for how to build a more progressive, equitable development agenda in cities. The recommendations are based on what we have learned from our partnered efforts with coalitions in Nashville and Raleigh-Durham.

Innovative Tools for Equitable Development Campaigns

New investments are breathing life back into once-vacant land and cranes are transforming city skylines after the Great Recession brought the construction industry to a near screeching halt. Communities that were once manufacturing and industrial hubs are seeing growth in the tech and health care sectors. At the same time, residents, community organizers, and many city leaders are working to create more equitable and democratic processes and policies for development.

This section provides an overview of tools and approaches successfully employed by community groups. These include community benefits agreements with developers, development monitoring and enforcement, and creative strategies for challenging political environments.

In Tennessee, North Carolina, and other states where there is contentious state interference into local policymaking, there are still opportunities to enact strong local policies. Community and legal advocates should assess the state interference landscape and decipher which local policies are preempted and not preempted by state law (i.e., what is possible). However, there are political concerns to navigate. For example, the Tennessee General Assembly quickly nullified Nashville-Davidson County's local hire amendment to the county charter in February 2016. This demonstrated the state's strong and coordinated political will to overrule the voter-approved initiative and pass other legislation that limits local authority on particular issues.[1] Strategies for local policy campaigns must address both the political environment and statutory preemption, which may include litigation to defend a local policy after it is passed.

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[1]   Andrea Zelinski, "Senate Votes to kill Metro's Local Hire Amendment," *Nashville Post*, February 22, 2016, https://www.nashvillepost.com/politics/article/20490294/senate-votes -to-kill-metros-local-hire-amendment.

Disclosure, Transparency, and Accountability in City Development Processes

Cities can adopt strong accountability and transparency measures for developers that apply for and receive public subsidies. Such measures can also include specific employment-related disclosure requirements, tight fiscal tracking, detailed reporting requirements on jobs or housing outcomes, clawback provisions, other penalties for noncompliance, community impact reports, and requiring voter approval for development projects.

Case Study

The Nashville, Tennessee, "Do Better" Bill

The Stand Up Nashville Coalition (SUN) spearheaded the passage of Nashville's "Do Better" Bill in 2018. Launched in 2016 as a coalition of community, faith-based organizations and labor unions, SUN organizes working people in Nashville who are seeing development transform their city, but have not shared in the benefits of that growth. The coalition's mission is to ensure that public investments in development are leveraged to create economic opportunities for all Nashvilleans; pathways to quality, middle-class jobs; and affordable housing so that all communities may benefit from the growth in the city.

With Nashville's rapid growth and development, and corresponding increase in poverty and unemployment, SUN prioritized creating career paths and employment opportunities for Nashville residents. Still reeling from the state's swift and obstructive preemption of the voter-passed local hire charter amendment, the coalition nevertheless worked, with the Partnership's help, to identify, develop, and institutionalize effective ways to build career paths in key industries in a challenging legal and political context. SUN identified a strategy for a transparency and accountability policy for the tax incentive programs Payment in Lieu of Taxes (PILOT) and tax increment financing (TIF) in Nashville.

In January 2018, SUN worked with the Nashville Davidson Metropolitan County Council ("Metro Council") to successfully pass the "Do Better" Bill,[2] Nashville's first-ever subsidy transparency ordinance. The ordinance requires that Metro Council, which approves tax incentive projects, make its determination for subsidies using community benefits-oriented criteria that include worker protections and job training requirements. The ordinance specifically calls for more transparency in the approval process of cash grants and property tax freezes (PILOT) for large businesses. Previously, these incentives were fast-tracked by Metro Council and the Industrial Development Board (IDB) without providing opportunities for the public to gain information and provide input, and with minimal consideration given to community-oriented outcomes.

Under the "Do Better" Bill, any company seeking a cash grant or PILOT through IDB must submit a project proposal to the Mayor's Office of Economic and Community Development (ECD) that discloses the following:

1. The number and type of jobs that will be created, including whether those jobs will be permanent or temporary, and how many will be filled by Davidson County residents;

2. A workforce plan that discloses whether the company will use temporary or staffing agencies, the Nashville Career Advancement Center, subcontractors, or other third parties on the project, and how much those jobs will compensate in wages and benefits;

3. Whether the project will use apprentices from training programs certified by the U.S. Department of Labor; and

4. Whether the company has had any safety or wage and hour violations in the past seven years.

The ECD must then present this proposal to Metro Council prior to a vote on the incentive to ensure an informed decision is made. If the incentive is awarded, the proposal becomes part of the incentive agreement. The company must submit quarterly reports to the ECD to keep it accountable to the economic and community outcomes committed to in the incentive agreement.

The "Do Better" Bill rests on three values: 1) open and transparent governance that allows for public debate on critical economic decisions, 2) prioritizing equitable and inclusive economic development for public investment, and 3) creating opportunities for every Davidson County resident to provide for their own and their family's basic needs.

Disclosure or "sunshine" ordinances like the "Do Better" Bill create opportunities for residents to engage in the development process. In addition, coalitions can organize as outside monitors that hold developers and their contractors accountable to community agreements and local, state, and federal laws.

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2   Available at http://www.nashville.gov/mc/ordinances/term_2015_2019/bl2017_983.htm.

Raising Standards for City Contractors

The Partnership began working with Charlotte, North Carolina, workers' rights advocates after a series of egregious workplace violations at construction sites, including no access to drinking water or safety training on a construction project at Charlotte Douglas International Airport.[3] Together, we inventoried feasible, local-level policies in North Carolina to protect workers and ensure basic safety standards at worksites. We assessed that there are measures that localities can pursue in public construction contracting processes to raise worker standards without the risk of state law preemption.

One specific measure that North Carolina localities can adopt is the creation of a **"best value" point system** for evaluating bids for city construction contracts. The best value point system would assess and weigh a list of factors to consider the "quality, performance, and the time specified in the proposals for the performance of the contract."[4] Courts in North Carolina have interpreted "responsible" to imply "skill, judgment and integrity necessary to the faithful performance of the contract," and allowed cities to require that bidders submit references, personnel inventory, resumes of project managers, lists of current projects, and other information.[5] Under a "best value" point system, points could be awarded based on criteria that consider factors such as the contractor's safety record, whether they have cured outstanding violations, and record of compliance with local, state, and federal laws, including any federal, state, or local tax liens or tax delinquencies against the contractor or any officers of the contractor in the last five years. The City of Austin, Texas, implemented a matrix tool to standardize the evaluation of contractors seeking bids through the request-for-proposal process, which may serve as an example.[6]

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3 "Construction Workers, Union Seek More Protection from Wage Theft, Abuses in Charlotte," *Charlotte Observer*, June 26, 2017, http://www.charlotteobserver.com/news/business/biz-columns-blogs/development/article158340804.html.

4 N.C. Gen. Stat. § 143-129.

5 *Kinsey Contracting Co. v. Fayetteville,* 106 N.C. App. 383, 384-385 (1992).

6 Available at http://www.austintexas.gov/edims/document.cfm?id=200017.

Other examples of disclosure, transparency, and accountability ordinances include:[7]

1. **Austin, Texas,** discloses annual activity of its Economic Development Incentive Grant program, including annual independent third-party audits of each recipient company's compliance.
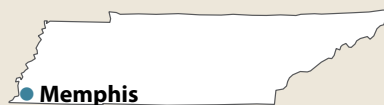
2. In **Memphis/Shelby County, Tennessee,** the economic development agency practices full transparency of its Payment-in-Lieu-of-Taxes (property tax abatement) program with a comprehensive database of deal-specific documents and has been touted as a model in public disclosure.

3. **Dallas, Texas** requires all proposed development subsidies over $1 million be subject to approval by public referenda and triggers a public referendum (public vote before receiving approval for financing) for all grants, tax concessions or tax relief, authorizations of debt or debt instruments by the city to support the project, grants or below-market sale of city-owned land over $1 million.[8]

4. **New York** Local Law 62 requires the New York City Economic Development Corporation to provide a detailed database of commitments and outcomes for almost every subsidized project in the city.

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[7] Examples found in Good Jobs First, "Show Us the Local Subsidies: Cities and Counties Disclosing Economic Development Subsidies," May 2013, http://www.goodjobsfirst.org/sites/default/files/docs/pdf/showusthelocalsubsidies.pdf.

[8] http://www.goodjobsfirst.org/messing-subsidies-texas

Promoting Sustainable and Community-Appropriate Investment

A common concern is the lack of a comprehensive analysis that gives community organizers and residents the necessary information to value the merits of a major development project proposed in their neighborhood. Cities have taken a variety of approaches to documenting the economic, cultural, and environmental impacts of development to evaluate whether a project should move forward as proposed, make the necessary modifications to account for community and environmental concerns, or scrap the project altogether.

A **Community Impact Report (CIR)** is a policy tool that can enable the public to have access to vital information regarding proposed development projects. A CIR can be a central part of a formal process of documenting and considering the costs and benefits of proposed projects and subsidies. Too often development projects are approved without considering their impact on traffic, quality of life, and the job market, overlooking the real fiscal impact of such development.

Across the country, community coalitions have won ordinances requiring developers to produce community impact reports. CIR measures are most commonly passed at the city or county level, although there are also state-level policies. Each policy specifies a threshold or trigger at which a CIR is required (for example, the square footage of a retail store, number of units of market-rate housing, or subsidy dollar amount).

CIR processes typically begin with a report, compiled by the developer, that assesses the following impacts of a proposed project:

▶ *Fiscal impacts* — the financial costs and benefits the project will have on a municipality, including tax revenue (e.g., will revenue increase, decrease, or be shifted).

▶ *Employment impacts* — the number of jobs that will be created or eliminated by the project; job quality measures, including wages and benefits; and accessibility measures, such as local hire and job training.

▶ *Housing impacts* — the project's impact on the need for both affordable and market-rate housing units, and whether the project will create additional units or eliminate existing units.

▶ *Neighborhood needs impacts* — whether the project will increase or meet demand for services and how the surrounding neighborhood might benefit from the project.

▶ *Smart growth impacts* — whether the project will make the surrounding neighborhood more livable and how the project will affect public transit.

▶ *Environmental impacts* — whether the project will have a significant effect on the environment (in states or on projects that do not require environmental impact review).

The report is submitted to local officials (or decision makers) for review during the early stages of the project. The CIR is also made publicly available so that community members can review the impacts of the proposed project and provide feedback at public hearings.

Benefits of Community Impact Reports

For Developers

▶ Provides an opportunity for developers to present both the positive and negative social and economic impacts of their projects.

▶ Enables developers to receive constructive community feedback through a formalized process instead of receiving community concerns in an ad hoc way.

▶ Allows developers to hear concerns in the early phases of a project and avoid costly delays that come from late modification requirements.
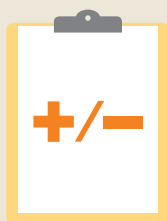
For Local Officials

▶ Makes it easier for officials to consider all impacts—including housing, employment, fiscal, and environmental—at the beginning of a project.

▶ Creates an opportunity to build a partnership with the community by actively seeking and incorporating community concerns in the decision-making process.

▶ Helps officials ensure that the use of public funds will benefit the local community.

For Community Members/Organizations

▶ Formalizes a role for community in the early phases of the development process.

▶ Facilitates community participation in development projects by making report findings publicly available in advance of public hearings.

▶ Gives community members the opportunity to affect the finished development project.

Community Benefits Agreements (CBAs)

Non-governmental parties (such as community coalitions) may seek agreements related to economic development. These are often called Community Benefits Agreements (CBAs). Local governments are not a party in CBAs, so they are less likely to be preempted by state statute. These voluntary, private agreements between developers and communities are also free from certain legal constraints that apply to government conditions on development projects, so the community and the developer may negotiate over a wide variety of deal points and come up with creative approaches to provide meaningful benefits to communities that large-scale development will impact. The process of negotiating a CBA allows for a more constructive and collaborative conversation about meeting community needs, compared to more traditional government processes. CBAs can also serve as a pilot for larger-scale policy changes in the future.

Community coalitions for CBAs are long-term, broad-based groups with deep roots in the community. Coalitions typically represent an array of stakeholders, such as local residents across the income spectrum; people of all colors; labor, environmental, and faith groups; and affordable housing advocates. Community benefits coalitions recognize that high-quality new development is critical for expanding prosperity. Coalitions seek a role in shaping that development, and developers are accountable to the community on the front end, regardless of whether the project moves forward or not.

Examples of the CBA Strategy in Action[9]

The following CBAs are examples of approaches that coalitions have successfully enacted despite intensely conservative, pro-business state governments.

Hill District CBA (Pittsburgh, Pennsylvania)

After decades of exclusion, a broad community and labor coalition chaired by Pittsburgh United led a campaign to ensure Hill District residents have a seat at the decision-making table to shape future redevelopment projects. The One Hill Coalition's 2008 CBA provides funding for a master development planning process and establishes a steering committee with four of the nine seats appointed by the One Hill coalition, giving the community a powerful voice in the neighborhood's growth and development. Among the many CBA provisions, the agreement creates 640 arena, hotel, and grocery jobs, of which local residents fill 40 to 60 percent. The agreement also protects workers' right to organize and ensures

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[9] A list of other CBAs in effect is available at http://www.forworkingfamilies.org/page/policy-tools-community-benefits-agreements-and-policies-effect.

workers earn a minimum of $12 per hour plus benefits. The CBA also commits $2 million from the city and developers toward a grocery store within the Hill District, providing residents access to fresh and healthy food options in their own neighborhood for the first time in 30 years.[10]
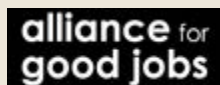
Milwaukee Bucks Arena CBA (Milwaukee, Wisconsin)[11]

In 2016, the Alliance for Good Jobs negotiated a CBA with the owners of the Milwaukee Bucks for the construction of their new arena, scheduled to open in late 2018. The CBA raised the minimum wage to $12 per hour in 2017 and to $15 per hour by 2023 for workers in the new arena, as well as the properties the Milwaukee Bucks manage and control: the surrounding plaza, the practice facility, and the parking structure. The agreement ensures hiring at least 50 percent of employees from neighborhoods with high unemployment and affirms the right of employees to unionize. Recently and as a result of the CBA, the Milwaukee Bucks, in partnership with the Alliance for Good Jobs, launched a new organization that will recruit, screen, train, and place upwards of 1,000 Milwaukee-area workers in living-wage jobs at the new arena and in its surrounding district.[12]

BeltLine CBA (Atlanta, Georgia)

Georgia STAND-UP succeeded in attaching community benefits language to a city ordinance authorizing almost $2 billion in public funding over a 20-year period for transit-oriented development. The ordinance stems from a 2005 city resolution that created the BeltLine Tax Allocation District (TAD), which included several community benefits principles that will apply to every project within the BeltLine redevelopment area. These include the BeltLine Affordable Housing Trust Fund, created by setting aside 15 percent of the net proceeds of every TAD bond issued to develop 5,600 units of affordable housing, and an Economic Incentives Fund, by setting aside a portion of each TAD bond issuance that will incentivize private development in historically underserved areas of the BeltLine. The policy further requires that all capital projects that receive TAD bond funding have "certain community benefits principles, including but not limited to: prevailing wages for workers; a 'first source' hiring system to target job opportunities for residents of impacted low-income BeltLine neighborhoods; establishment and usage of apprenticeship and pre-apprenticeship programs for workers of impacted BeltLine neighborhoods."[13]

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[10] For a summary of the Hill District CBA, see http://www.forworkingfamilies.org/sites/pwf/files/publications/Pittsburgh%20United%20FINAL.pd

[11] For a summary of the Milwaukee Bucks Arena CBA, see http://www.forworkingfamilies.org/sites/pwf/files/resources/Bucks-AfGJ%20Agreement.pdf

[12] Maredithe Meyer, "Bucks, Alliance for Good Jobs Partnership Launch Arena District Jobs Organization," *Biz Times*, February 9, 2018, https://www.biztimes.com/2018/industries/arts-entertainment-sports/bucks-alliance-for-good-jobs-partnership-launch-arena-district-jobs-organization/.

[13] See Atlanta Beltline Summary at Partnership for Working Families, http://www.forworkingfamilies.org/page/policy-tools-community-benefits-agreements-and-policies-effect.

Increasing Access to Sustainable Careers for Low-Income Residents and People of Color

Local government policies and CBAs have included policy language that is designed to ensure that local residents and disadvantaged individuals have employment and career pathway opportunities in construction, retail, transportation, entertainment, food service, and other sectors. Two key policies are targeted hire policies and apprenticeship requirements. These measures have resulted in thousands of jobs for the communities that need them most and, in some cases, are paired with job training and other skills development programs that help individuals build a career.

Targeted hire policies help maximize the community benefits created by new investment by requiring that a minimum percentage of the jobs created by a development project be set aside for workers from targeted populations with barriers to employment. Tennessee is one of two states (along with Ohio) that prohibit localities from establishing targeted geographies in hiring. However, local policies may incentivize or require employers awarded public contracts to hire individuals with certain characteristics, such as experiencing homelessness, being a custodial single parent, receiving public assistance, lacking a GED or high school diploma, having an arrest or conviction record, suffering from chronic unemployment, being emancipated from the foster care system, or being a veteran of the U.S. military.

Apprenticeship utilization requirements ensure that development projects create new jobs that have clear pathways to becoming family-sustaining careers. Localities may require a certain percentage of work hours on publicly subsidized development projects be performed by participants in U.S. Department of Labor-certified apprenticeship programs. The Atlanta BeltLine First Source Hiring Policy requires at least 10 percent of all construction work hours be performed by apprentices and that 25 percent of all construction work hours be performed by skilled construction workers.[14] The policy also requires the Atlanta Workforce Development Agency to maintain a registry of pre-apprenticeship programs, which students can use to find and enter certified apprenticeship programs in the construction industry.

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[14] Atlanta Mun. Code Sec. 2-1664, https://library.municode.com/ga/atlanta/codes/code_of_ordinances?nodeId=PTIICOORENOR_CH2AD_ARTXIFISOJOPR_DIV3ATCIPR _S2-1664UTRE.

The Legal Landscape and the Role of Corporate-Driven State Interference

As more local governments seek to pass policies related to affordable housing, renter protection, improved labor standards, and immigrant protection—more and more are confronted by strong state opposition that limits the authority of local jurisdictions. Numerous powerful private-sector interests are working closely with state legislators to pass state laws that override cities and halt progressive policies at the city level. This is known as "preemption," a strategy in which states use policy levers to supersede local government policy. The gun and tobacco industries pioneered preemption in the 1980s. Then, it was aggressively employed by the ultra-conservative American Legislative Exchange Council (ALEC).[15] Now we see tech companies increasingly promote preemption to avoid local government regulations, curtail progressive policy innovation, and diminish labor standards.

State Interference across the Country [16]

Today, 41 states restrict local regulation of transportation network companies (TNC) like Uber and Lyft; 32 states restrict local housing affordability policies (such as inclusionary zoning or rent control); 27 restrict local minimum wage measures; 23 restrict local construction labor agreements; 22 restrict local paid leave measures; nine restrict local policies related to law enforcement and federal immigration officials ("sanctuary city" policies); five restrict policies related to employment hiring practices ("fair chance" or "ban the box"); three restrict local anti-discrimination measures; and two prohibit local hiring requirements. There are hundreds of bills currently pending and anticipated in state legislatures across the country to further limit cities' power.

	AL	AK	AZ	AR	CA	CO	CT	DE	FL	GA	HI	ID	IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO	MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA	RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY
TNC Regulation (41)	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●				●	●	●	●	●	●	●	●	●			●	●	●	●	●	●		●			●		●	●	●
Local Housing Affordability Policies (32)	●		●		●	●			●	●		●	●	●	●	●	●			●	●	●	●		●		●			●	●	●	●			●	●		●	●	●	●	●			●	●		●	
Local Minimum Wage (27)	●		●	●		●			●	●			●	●	●	●		●		●	●		●		●	●		●	●						●	●	●	●	●		●	●	●						●	
Construction Labor Agreements (23)	●		●	●					●	●	●		●	●	●					●	●	●	●							●	●	●						●	●	●	●			●				●	●	●
Paid Sick Leave (22)	●		●	●					●	●			●	●	●			●	●		●								●	●		●			●	●	●	●	●	●		●							●	
Sanctuary (9)	●						●	●	●														●							●										●		●	●							
Employment Hiring (5)										●													●		●				●													●								
Anti-discrimination (3)				●																													●									●								
Local Hire (2)																																			●							●								

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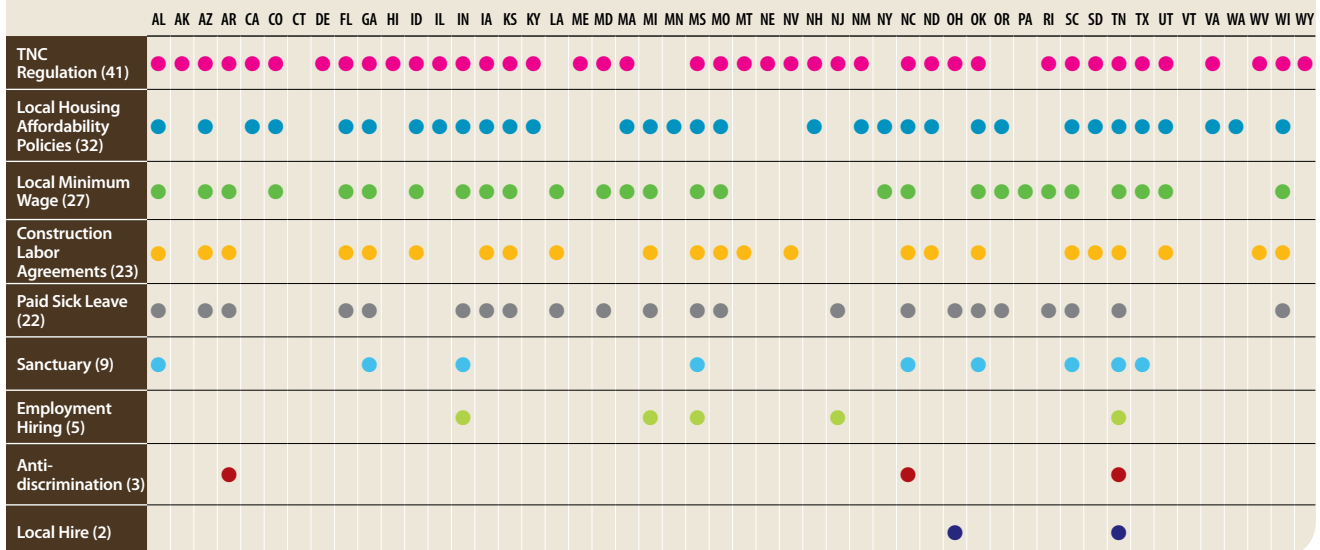
[15] Marni von Wilpert, "City Governments Are Raising Standards for Working People – and State Legislators Are Lowering Them Back Down," Economic Policy Institute, August 26, 2017, http://www.epi.org/publication/city-governments-are-raising-standards-for-working-people-and-state-legislators-are-lowering-them-back-down/.

[16] Authors' review of enacted state statutes. See Partnership for Working Families, "Mapping State Interference", April 2018, http://www.forworkingfamilies.org/preemptionmap. See also "City Rights in an Era of Preemption: A State-by-State Analysis," National League of Cities, April 2018, https://www.nlc.org/resource/city-rights-in-an-era-of-preemption-a-state-by-state-analysis, citing The National Multifamily Housing Council.

ALEC, the National Rifle Association (NRA), other industry associations, and wealthy special interest groups have aggressively lobbied and exploited the power of the state to weaken local policymaking authority in the face of progressive leadership succession in major cities as well as to deregulate entire industries.[17] Corporations, including, more recently, tech companies, take advantage of state legislators' desire to drive a "pro-business" agenda to quickly push bills that drastically limit local policymaking autonomy and/or workers' rights.[18] This dynamic is particularly true in many Southern states. One tech company's political strategist said that in the South, a place where changing state laws to serve corporate interests, often at the expense of worker rights, is relatively "faster." [19]

Tennessee and North Carolina

State preemption to limit local governments' authority in certain policy areas is a challenge to pursuing equitable economic development efforts on a local level in Tennessee and North Carolina. The three legal concepts that may serve to impede local governments from policymaking include the following:

1. *Express statutory preemption of local action*, meaning the state law contains explicit language prohibiting local governments from adopting or enforcing local laws, which are explained in greater detail in the sections below;

2. *Implied preemption of local action,* where 1) there is federal or state law in a specific field that is so pervasive that no room remains for a local government to legislate in it, 2) there is a contradiction between state and local law, or 3) the local law stands as an obstacle to the accomplishment of a state law; and

3. *A home rule or Dillon's Rule government,* in which local government autonomy is limited to the scope of the city's authority under its charter (home rule) or explicitly authorized by statute (Dillon's Rule).

While localities that are organized under charter in Tennessee, including Nashville-Davidson County, generally have broad home rule authority to take a wide range of actions, the state has similarly broad authority to restrict or prohibit such local action.

[17] Shaila Dewan, "States Are Blocking Local Regulations, Often at Industry's Behest," *New York Times*, February 23, 2015, https://www.nytimes.com/2015/02/24/us/govern-yourselves-state-lawmakers-tell-cities-but-not-too-much.html. See also Joy Borkholder, Mariah Montgomery, Miya Saika Chen, and Rebecca Smith, "Uber State Interference: How Transportation Network Companies Buy, Bully, and Bamboozle Their Way to Deregulation", Partnership for Working Families and National Employment Law Project, January 18, 2018, http://www.forworkingfamilies.org/resources/publications/uber-state-interference-how-transportation-network-companies-buy-bully-and.

[18] See Borkholder, et al., "Uber State Interference."

[19] Lydia DePillis, "For Gig Economy Workers in These States, Rights Are at Risk," *CNN Money*, March 14, 2018, http://money.cnn.com/2018/03/14/news/economy/handy-gig-economy-workers/index.html.

Home Rule and Dillon's Rule

In Tennessee, the State Constitution provides that a city may establish by referendum its own charter in which it designates itself as a home rule city.[20] This provision is intended to vest a certain level of control in local governments. The Tennessee Supreme Court held that localities organized under charter government "possess broad authority for the regulation of their own affairs."[21] A separate legal doctrine, "Dillon's Rule," generally serves to limit local government autonomy by only allowing local governments to exercise powers that are expressly authorized by statute. Dillon's Rule applies only to local governments that are not organized by voter-approved charter.

While localities that are organized under charter in Tennessee, including Nashville-Davidson County, generally have broad home rule authority to take a wide range of actions, the state has similarly broad authority to restrict or prohibit many local actions.

Tennessee has expressly preempted a wide variety of local laws (with some exceptions) regarding:

▶ minimum wage for private employers as a condition of doing business with the locality,[22]

▶ any policy that addresses wage theft,[23]

▶ employee benefits, including paid leave and health benefits,[24]

▶ project labor agreements for state-funded contracts,[25]

▶ rent control and inclusionary (affordable) housing,[26]

▶ predictive scheduling,[27]

▶ anti-discrimination measures,[28]

▶ sanctuary cities,[29]

▶ transportation network company regulation,[30] and

▶ local hiring requirements,[31] among other issues.

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[20] Tenn. Const. Art. XI, § 9.

[21] *Entertainer 118 & Meroney Entm't, Inc. v. Metro. Sexually Oriented Bus. Licensing Bd.*, 2009 Tenn. App. LEXIS 550 at *7-8 (Tenn. Ct. App. 2009), citing *Hill v. State ex rel. Phillips*, 392 S.W.2d 950, 953 (Tenn. 1965).

[22] Tenn. Code Ann. § 50-2-112(a)(1).

[23] Tenn. Code Ann. § 50-2-113.

[24] Tenn. Code Ann. § 7-51-1802.

[25] Tenn. Code Ann. § 12-4-903.

[26] Tenn. Code Ann. § 66-35-102.

[27] Tenn. Code Ann. § 7-51-1802.

[28] Tenn. Code Ann. § 7-51-1802.

[29] Tenn. Code Ann. § 7-68-103.

[30] Tenn. Code Ann. § 65-15-302.

[31] Tenn. Code Ann. § 12-4-117.

In North Carolina, the state has a similarly contentious relationship with localities. North Carolina's politically conservative state leadership treats local governments, which are generally more progressive, as extensions of the state.[32] The state has expressly prohibited local governments from adopting or enforcing laws related to:

- ▶ the broad category of employment practices,[33]

- ▶ project labor agreements,[34]

- ▶ anti-discrimination measures,[35]

- ▶ rent control,[36]

- ▶ sanctuary cities,[37] and

- ▶ transportation network company regulation,[38] among many others.

North Carolina state legislature's hostility toward progressive policymaking intensified following the 2016 House Bill 2, which became known as the "Bathroom Bill." This bill preempted Charlotte's anti-discrimination ordinance (and minimum wage ordinance), created a national outcry, and has since been partially repealed. The state's actions have had a chilling effect on local government policymaking across North Carolina, thereby extending state-level deregulation and bigotry to the local level as well.[39]

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[32] North Carolina is widely considered to be governed by a legal doctrine called "Dillon's Rule," which generally serves to limit local government autonomy by only allowing local governments to exercise powers that are specifically authorized by the state. Conservative state legislators have continued to invoke this legal rule as they debate preemption bills to this day. However, the state does grant cities the authority to regulate conditions that are detrimental to the health, safety, or welfare of its citizens through its police powers, which the North Carolina Supreme Court in 2014 interpreted as expansive in *King v. Town of Chapel Hill*, 367 N.C. 400 (2014).

[33] N.C. Gen. Stat. § 153A-449 (county) N.C. Gen. Stat. § 160A-20.1 (city).

[34] N.C. Gen. Stat. § 143-133.5.

[35] N.C. Gen. Stat. §§ 143-760.

[36] N.C. Gen. Stat. § 42-14.1.

[37] N.C. Gen. Stat. § 153A-145.5; 160A-205.2.

[38] N.C. Gen. Stat. § 20-280.10.

[39] North Carolina General Assembly House Bill 2 / S.L. 2016-3, https://www.ncleg.net/gascripts/BillLookUp/BillLookUp.pl?BillID=H2&Session=2015E2. See also Jason Hanna, "North Carolina Repeals 'Bathroom Bill,'" CNN Politics, March 30, 2017, https://www.cnn.com/2017/03/30/politics/north-carolina-hb2-agreement/index.html.

Building Capacity for an Inside-Outside Strategy: Best Practices and Observations

An inside-outside strategy asserts that meaningful policy change can be accomplished through a coordinated set of parallel efforts both inside and outside local government. Inside-outside strategies typically have three sets of actors:

1. A strong community/labor coalition that can articulate a shared vision and agenda, educate the public, and mobilize community members to participate in deliberation and decision making.

2. Champions within city government—elected officials who can help scout opportunity, advance the vision at a higher level, introduce legislation, and pursue an internal strategy to bring their colleagues along.

3. Committed staff and appointed leaders—redevelopment staff, city managers/administrators. These are people who understand how agencies work and can see opportunities that are opaque to people outside of government. They also understand internal organizational structures and cultures that can root this vision.

Power resides in all three of these arenas. Community power can create urgency and accountability, and make sure the agenda truly serves community needs. Elected power can elevate an agenda and make policy. Staff power can attest to—and ensure—that the program is feasible, and mobilize and align the bureaucracies inside city government in service of a vision.

Communication and relationships are key to a successful inside-outside strategy. It is critical for community groups seeking change to be well organized in engaging local government. This section outlines how community groups can form a strong coalition, and how coalitions can increase their effectiveness.

For Community Groups

Leadership Development for Those Most Affected by Poverty and Racial Disparities

Building power and lifting our communities requires that coalitions dedicate time and resources to supporting residents and community leaders. Movements are only as strong as their greatest asset—people. This means walking member organizations through an inventory of existing tools and resources, and identifying knowledge or skills gaps. For example, an organization interested in creating policy change may not have experience in policy development or advocacy. Training aimed at developing such skills can build local leaders' capacity. Coaching and mentorship are important complements to hard-skills development.

Grounding leadership among organizational staff and resident leaders also makes organizations stronger over time and best serves the needs of communities. Throughout, an emphasis on supporting the leadership of women, people of color, and those most affected by poverty and racial inequality has to be at the forefront of social movements in Southern cities.

Checklist for Building Coalitions Grounded in Community Needs and Assets

There is truth to the saying "power in numbers." Coalitions bring together a diverse group of organizations and individuals, with different perspectives and constituencies, around a common goal. The following are recommendations for forming a strong, successful coalition:

☐ **Identify who needs to be at the table.** A coalition should be representative of the community's indigenous leadership, and should include leaders with a track record of organizing and having deep relationships in the community. It should be representative of those most affected by poverty, and racial and gender inequality, and those marginalized by existing power structures.

☐ **Understand different approaches to building power.** Coalition members can differ in how they organize residents and workers, engage in public policy development, and define what it means to "win." There is no one-size-fits-all approach to building power in our communities. Approaches may also be based on positional power in the community and with local decision makers. As groups determine the need for a broad-based coalition to move a campaign, it is important to inventory internal approaches and determine at what critical points of a campaign these approaches are deployed. This process should complement a broader power analysis that identifies allies, opponents, and key decision makers in your city or community.

☐ **Develop a coalition agreement.** A coalition agreement is a document designed to guide a coalition's leadership structure, membership, decision-making process, and resource allocation, as well as outline values and principles guiding the work. The process of developing the agreement is an opportunity for organizations and individuals to assess and determine the best way to collaborate and coordinate in anticipation of challenging or critical moments in your campaign. Building trust among organizations and community leaders should be a core outcome of the coalition agreement process.

☐ **Develop and implement a campaign plan.** The campaign plan is ideally a representation of how a coalition or set of organizations puts a coalition agreement to practice. Developing a plan takes time and requires buy-in from coalition members throughout. The plan should include the following elements:

  ○ A list of demands that are based on shared priorities and needs

  ○ How demands will be met and timeline

  ○ The campaign's target for change and who you will be negotiating with

  ○ Deciding on the set of actions that will move your target

  ○ Resources needed and fundraising considerations

It also important to assign roles to coalition members to establish full ownership of the plan and campaign.

☐ **Manage conflict.** A coalition agreement memorializes a coalition's shared values and sets forth the group's collective "non-negotiables" for winning and building power. Having clear and honest conversations among coalition partners and community, throughout the course of a campaign and especially when conflict arises, can keep folks engaged, foster greater accountability and transparency, and, ultimately, move a campaign forward.

Power Analysis: Who Is Running Your Town?

Formulate a power analysis of a city by understanding land use regulations and corporate actors

If we want to democratize how development decisions are made in our communities, community groups must understand:

1. How land use and planning decisions are made at the municipal level,

2. Who influences and controls development in our communities, and

3. The role of corporations in shaping the local economy and public policy.

Understanding Land Use and Public Policy

Typically, development projects and land use decisions are governed by local laws and local government agencies, such as a city planning department, community development department, or redevelopment authority. While these agencies have authority over development processes (permits, zone changes, public hearings, and reports to city council and relevant commissions), there are also lobbyists and consultants hired by developers and other entities to influence the process.

Coalitions must decide on the type of political tool to best achieve the desired goals. The following are questions to consider and discuss between partner organizations:

► Is the coalition interested in moving forward a local policy, a CBA, or both? A local policy may affect a broader set of development projects, whereas a CBA is generally focused on a single development project.

► Who will enforce the CBA or policy on a development project? Will it be the coalition? A local government agency? If the coalition decides to pursue a CBA, will it be part of a cooperative agreement with the city or developer?

► Is the coalition a party to the agreement? Both the coalition and a local government entity? There may be limitations to who the coalition decides should be responsible for enforcing a policy or agreement due to state preemption.

Framework for Developing a Comprehensive Power Analysis

Power analyses help advocates understand how and by whom power is exercised, and who influences development decisions. During this process, coalitions may identify champions or allies within local government who can assert their power on behalf of communities most affected by development.
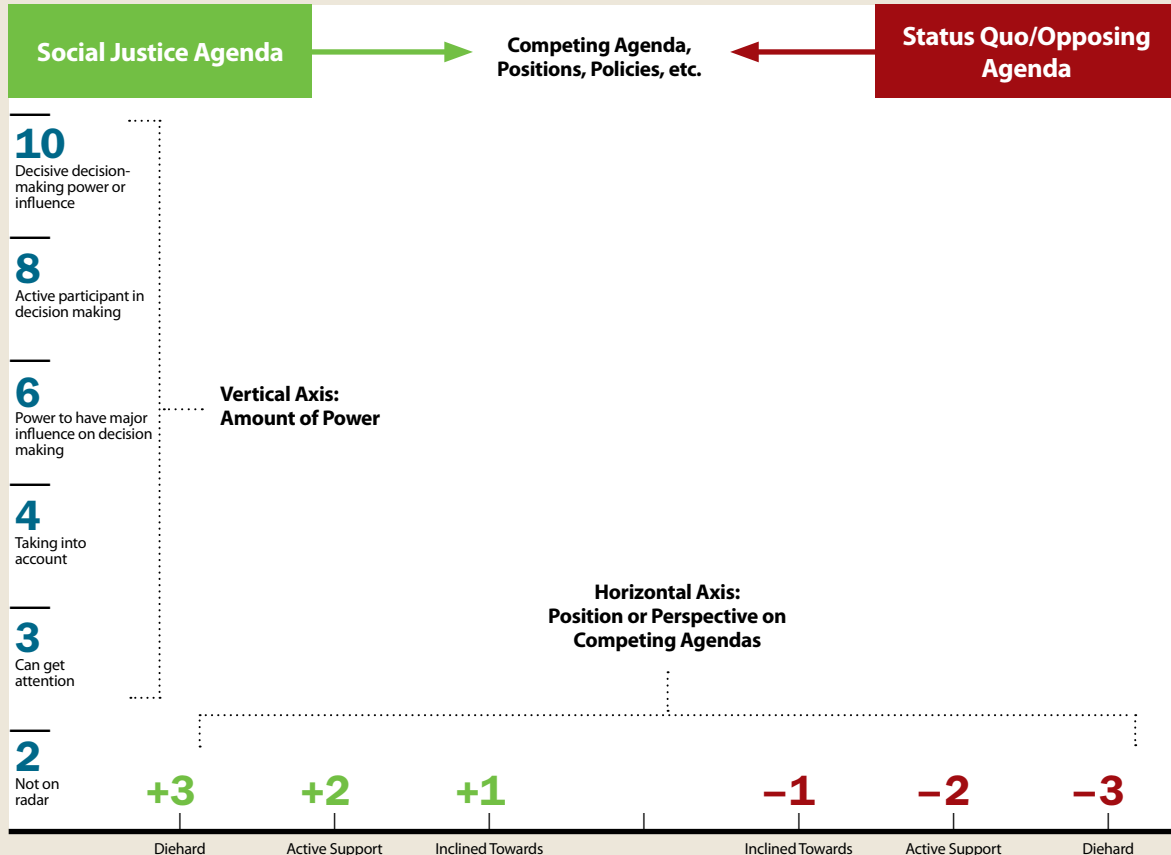
Power Analysis Resources

LittleSis
Database mapping relationships between people and organizations
www.littlesis.org

OpenSecrets.org
Center for Responsive Politics
Database tracking money in U.S politics at the federal level
www.opensecrets.org

Example of a Power Analysis Grid[40]

| **Social Justice Agenda** | → | **Competing Agenda, Positions, Policies, etc.** | ← | **Status Quo/Opposing Agenda** |

10 Decisive decision-making power or influence

8 Active participant in decision making

6 Power to have major influence on decision making

Vertical Axis: Amount of Power

4 Taking into account

Horizontal Axis: Position or Perspective on Competing Agendas

3 Can get attention

2 Not on radar

+3	**+2**	**+1**		**−1**	**−2**	**−3**
Diehard	Active Support	Inclined Towards		Inclined Towards	Active Support	Diehard

40 South Los Angeles-based organization SCOPE developed the training curriculum focused on conducting a power analysis used by organizations across country. See http://systems.geofunders.org/systems-resources/power-analysis and to learn more about SCOPE see: http://scopela.org/our-work/training/.

Power Analysis Grid: Key Questions

☐ Who are the major decision makers/influencers, and which allies should you reach out to?

   ○ Examine decision makers, influencers, allies, and opponents, and place them on the power analysis grid based on (a) how much power they have and (b) how much they agree with your agenda

☐ Develop an analysis grounded in assessing where your coalition is at and what power you need to build:

   ○ How do you elevate allies?

   ○ How do you move centrists with power to your side?

   ○ How do you support your champions?

☐ Measuring your coalition's success within the power spectrum:

   ○ Does your coalition represent various interests in a community?

   ○ Are community needs demanded and included?

   ○ Are you building necessary leverage to move decision makers?

Building Productive Alliances with Local Government Partners

Building an effective inside-outside strategy requires mutual trust and a shared desire for greater equity in policy and investment outcomes. The priorities, pressures, capacity, and expertise of coalitions and their government counterparts will often vary; however, both can benefit from strategic coordination. The following are best practices to assist coalitions in creating more fruitful alliances with local government. They are based on observations in Nashville and Raleigh-Durham, as well as other inside-outside strategy efforts.

1. Have a clearly articulated message, objective, and set of goals.

Government leaders and their staff have limited time and resources, and their work is often guided by numerous competing priorities. Community coalitions should determine their highest priorities and provide city partners with a clear set of objectives. We recommend attaching numeric goals to the objectives; they can measure progress and increase accountability.

Coalitions should consistently and frequently repeat the defined goals and objectives to city officials. This reinforces a coalition's commitment to its priorities and can help to accelerate government action.

2. **Stand by your collective priorities**.

Coalitions must organize and demonstrate the public pressure to generate political will and serve as support for city leaders who pursue otherwise "risky" policies. City leaders need to know that local coalitions are committed to an initiative and will hold government accountable to deliver meaningful outcomes. Coalitions should take their message to multiple forums (e.g., council and committee meetings, speeches, town halls) to demonstrate their commitment to a campaign's objectives. In these settings, coalitions must reiterate their core message and engage government partners (both elected officials and their staff) by directly asking them about progress on coalition priority areas. These tactics indicate to government leaders that a coalition is outcomes-oriented, which underlines the importance of accountability.

3. **Serve as resources for priority policies and programs.**

With finite resources, government leaders tend to rely on outside parties to provide informational and educational support for policy crafting and decision making. These third-party partners, such as local chambers or industry associations, use their local government access as a tool to advance their priorities. Coalitions must also engage in this space, to ensure that leaders and staff not only are aware of progressive policies, but also have the information and materials they need to be more agile and effective inside advocates. Coalitions can provide government partners with case studies and precedents from other cities, as well as draft policy language. Draft policy language can be especially powerful as a starting point for policy makers since the language will already include terms you seek.

4. **Unify public messages and priorities.**

Consistent messaging from members across the coalition is impressive and effective. Coalitions bring together diverse organizations that may vary in style, approach, and even priorities within a campaign. They are complicated and, oftentimes, messy. A unified message and set of priorities conveys strength and focus to the government. Presenting with one voice helps build trust with the government partners to gain confidence in the coalition's leadership.

5. **Leverage each other's relative positions across community organizations.**

Occasionally, having political differences between a coalition and other community groups will create opportunities for a coalition to gain leverage within local government. For example, if an organization establishes a harder-line stance on an issue, it creates a situation in which city leaders perceive a unified coalition as a more "moderate" group with which to work. Using this opening, the coalition can further underline and amplify its core priorities, its commitment to the campaign, and the importance of outcomes.

6. **Have clear and ongoing communication with your local government point of contact to establish trust and open communication.**

Clear, open, and trusted communication is key to a successful inside-outside strategy. We recommend establishing a regular meeting or phone call between the coalition lead and the city's point of contact. These scheduled meetings create dedicated time for information sharing, discussing potential concerns, and checking in on progress towards the coalition's objectives. They are also an opportunity to build greater understanding across coalitions and government partners through discussions about the various pressures and constraints each faces.

7. **Follow up with the city—be responsive to their requests, and hold them accountable.**

Being prepared and proactive when engaging government partners is critical for making progress. City staff are flooded with varying demands on their time and attention. Coalitions must demonstrate that they value their own time and they respect the city's time, creating conditions within which a city partner would be more willing to engage. Accordingly, if the city partner does not hear from a coalition or group, then they will move on with their many other priorities, operating under the assumption that the campaign is not the community coalition's priority. We recommend that coalitions position themselves for having more productive and meaningful meetings with city partners by preparing for meetings with a clear agenda, objective, and desired outcome, and by meeting deadlines they set for themselves.

## Recommendations for Building a New Model for Community-Centered Development

Invest in people:

▶ **Leadership development**—both inside organizations and outside in the community, such as members and resident leaders—is core to building the confidence and expertise to move a program and campaign.

▶ **Organize, organize, organize!** We must empower residents to want and achieve greater access to the development decisions that affect their everyday lives. Building a coalition that represents diverse stakeholders and approaches is crucial. A campaign is only as strong as the people it reaches, beyond boardrooms and council chambers.

▶ **Build power for the long haul, not just short-term solutions.** The tools and strategies we covered are intended to set your communities on a trajectory for building power in cities and having a movement that continues beyond its first victory. There will be losses and struggles in the process.

Democratize development in our cities:

▶ **Build statewide advocacy to ensure cities have all the policymaking tools at their disposal** to alleviate crises, respond to the needs of their residents, and create innovative policies that address displacement, unemployment, low wages, and other issues.

▶ **Adopt transparency and accountability policies**, especially for projects receiving public subsidies, that provide the community with opportunities to learn about and engage in decisions made about publicly owned land and publicly subsidized developments in their neighborhoods that will affect their health and well-being.

▶ **Empower communities with the tools and leverage to ensure that development creates benefits** that protect workers, create good jobs and affordable housing, address environmental mitigation, and identify other strategies to navigate state interference.

▶ **Enlist elected leaders and local government staff** as partners in developing solutions and in navigating state interference where possible.

Additional Resources from the Partnership:
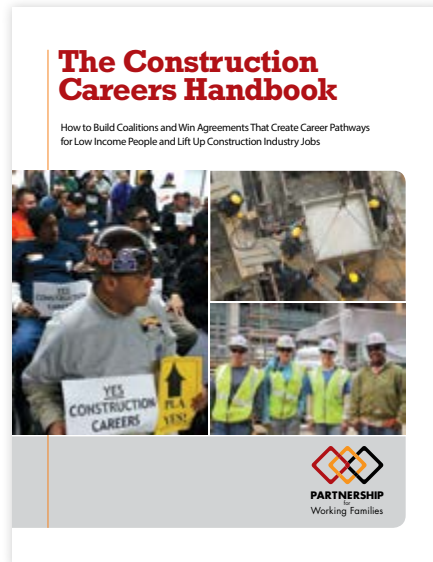
Construction Careers Handbook

www.forworkingfamilies.org/sites/pwf /files/publications/0413 Constr Careers HBook_f_web.pdf

Common Challenges in Negotiating Community Benefits—and How to Avoid Them

www.forworkingfamilies.org/sites/pwf /files/publications/Effective CBAs.pdf

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