

Economic Development with Real Community Benefit

Land Development in the Public Interest

THE PROBLEM

Too often, major development projects do not deliver tangible benefits to local residents, and instead lead to corporate profits at the community's expense through gentrification, displacement, traffic, pollution, and other impacts.

THE SOLUTION

A community benefits approach to economic development aims to ensure that new development serves the needs of local residents, not just the needs of developers. "Community benefits" are assets available through economic development that meet real community needs, including the following:

- *good wages and benefits for workers involved in the project, including service workers;*
- *affordable housing as part of any residential development;*
- *funding for local infrastructure such as community centers, supermarkets, or schools;*
- *hiring of local residents or members of vulnerable populations; and*
- *creating environmental benefits and mitigating environmental impacts.*

WHAT ROLE DO LEGISLATORS PLAY? City and county elected officials have powerful tools at their disposal to realize equitable economic development. They can:

- Fight to include meaningful community benefits in every project. For every development project, there is room for a city to negotiate community benefits. Community benefits can be included in government agreements with developers and in conditions for project approval, subject to some legal constraints.
- Encourage the negotiation of private community benefits agreements. Private community benefits agreements (CBAs) are negotiated between developers and coalitions of community stakeholders. Public officials can make clear to developers that they will take



“There is a movement growing across the country of local elected and appointed officials who recognize that economic development with community benefits can transform local economies and create shared prosperity.”

— The Partnership for Working Families

community views about a project seriously, although they should avoid directly involving themselves with the negotiation of private CBAs, which can lead to political and legal complications. Public officials can also convene stakeholders to establish consensus around community benefits principles, paving the way for project-specific measures.

- Adopt baseline community benefits laws or policies. On key issues, cities and counties can set standards, such as minimum wage or inclusionary housing requirements, applying to a range of future projects. They can also adopt policy requiring reports on the impact of proposed projects on the community. Finally, they can help create land use plans that support community benefits.

These strategies complement one another and should be used in the same city. In advancing these strategies, local officials should keep the following principles in mind:

- Building community power is important. Public officials with a community benefits vision need community stakeholders with high capacity and strong voices to develop, adopt, and implement that vision. Public officials may have to step back at times to let community lead, but better outcomes will result.

- The benefits have to be real. The details of policies, agreements, and programs matter. The community benefits approach is for people who are serious about delivering jobs and other benefits, rather than just making feel-good statements. Issues like monitoring, reporting, and enforcement all deserve your attention as much as the core benefits provisions.
- Lead by communicating clearly and with details. In order to succeed, the community benefits approach relies on community and city staff having the information it needs about development projects and about what they would mean to effectively implement community benefits.

EXAMPLES OF SUCCESSFUL CBAS

OAKLAND: Jobs Policies adopted in 2012 for a major warehousing and goods movement project on the site of the former Oakland Army Base established requirements for local hire, disadvantaged hire, living wages, limitations on use of temp workers, and community oversight and enforcement. The Jobs Policies resulted from extensive work between City staff, City Councilmembers, and a broad range of community stakeholders. The Policies were included in an agreement between Oakland and the project developer. Community groups made a formal agreement to support the project in exchange for the City's commitment to community benefits.

NEW YORK: In April 2013, a coalition of community organizations entered into a comprehensive CBA for the redevelopment of the Kingsbridge Armory in the Bronx. The project, an ice sports center, will include nine hockey rinks, a 5,000-seat arena and a 50,000-square-foot community space. Under the CBA, the developer agreed to: living wages for all workers; targeted and local hire for construction and operations jobs; more than \$8 million for a community fund; a grant program for local businesses; local contracting and procurement, M/WBE utilization, 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. The City Council helped make the agreement possible by rejecting a prior developer's project after that developer refused to agree to community benefits demands.

LOS ANGELES: In January 2012, the Los Angeles County Metropolitan Transit Agency adopted a Construction Careers Policy and master Project Labor Agreement with targeted hiring measures. The Policy and PLA will apply to

projects in a 30-year, multi-billion dollar transit build out, generating over 23,400 construction jobs in the first 5 years. The Policy and PLA set aside 40% of these jobs for residents of high-poverty communities and low-income individuals with multiple barriers to employment, while ensuring high quality training and decent working conditions and wages for all workers on the projects.

PORTLAND: Emerald Cities Portland led a process involving key stakeholders and city officials to create a template "Community Benefits Agreement" that addresses job quality, job access, and contracting with disadvantaged businesses on construction projects in the city. The template agreement was adopted by city council resolution that encouraged its use on city projects and other projects. Versions of the agreement have been used on two city public works projects, and stakeholders are working to put it in place for other projects, including private projects.

LANDSCAPE

Land use policy and community benefits measures are both highly local and complex, and legislators should consult with lawyers and advocates early in the development process. Developers are repeat players who can profit enormously from favorable treatment by municipalities and they often exert enormous pressure to get what they want. For this reason, it is crucial for progressive elected officials to collaborate with local community allies and experts from around the country.

The leading organization working on CBAs is the **Partnership for Working Families** and its Community Benefits Law Center. Its website, www.communitybenefits.org, has extensive resources. The Partnership can work with you to design a strategy that helps deliver community benefits in your city or county.

The organization **Good Jobs First**, which advocates for making economic development subsidies more effective and accountable, has created a valuable set of materials to introduce readers to the development process. www.goodjobsfirst.org/accountable-development.

The Center for Popular Democracy, with long experience using community organizing to win local legislative victories, can help you build a strong coalition in favor of development that works for your entire city.

