

COMMUNITY BENEFITS

“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

THE PROBLEM

Too often, major development projects do not deliver tangible benefits to local residents. Instead of yielding good jobs, new affordable housing, environmental benefits, and community amenities, big residential or commercial developments often lead to corporate profits at the community’s expense – both through tax dollars and displacement.

THE SOLUTION

The Community Benefits approach to development aims to ensure that new developments serve the needs of local residents, not just the needs of developers and their tenants. This approach ensures that the development process includes community voices and the development project delivers meaningful benefits, such as:

- good paying, safe, full-time, career-track jobs in construction and operation of the project;
- workforce systems that are accessible to communities and effectively prepare people for project jobs and help connect them to those jobs;
- truly affordable housing as part of any residential development;
- important local infrastructure such as community centers, supermarkets, or schools;
- access to project jobs for local residents and those with barriers to employment such as a criminal record;

- reducing and/or mitigating negative environmental impacts.

WHAT ROLE DO LEGISLATORS PLAY: Local officials have powerful tools available to ensure that economic development delivers these benefits.

- *Demand strong community benefits in government agreements with developers.* Major development often occurs on city land or receives public funding or tax breaks often accruing value to the developer, and city officials can demand that in exchange the developer act in ways that benefit the community.
- *Encourage (but don’t require or oversee) negotiation of private community benefits agreements between developers and community coalitions.* Even if development occurs entirely on private land without public economic assistance, it will likely require land use approvals that require the support of planning boards and city councils. Because community groups can oppose these government actions, developers have a strong incentive to communicate with the community and enlist its support for the project. Legislators can encourage negotiation of strong private community benefits agreements by supporting a transparent, accessible and robust land use process that encourages the input of all relevant stakeholders by making clear to the developer that they will weigh the communities’ views seriously in evaluating project approvals. Private community/developer negotiations can address issues that cannot, for legal reasons, be part of the government’s official land use process. Ultimately, the negotiation of CBAs should happen without the involvement of elected officials; for legal and practical reasons, the process needs to be led by engaged residents and strong advocacy organizations. However there is a role for local elected officials to play in encouraging negotiations.
- *Enact ordinances and policies establishing baseline community benefits for future projects.* There are important legal limitations to the demands that a

city can make of a specific developer in exchange for land use approvals, but legislators generally do have the power to adopt rules applicable to a range of development projects, such as living wage, local hiring or affordable housing requirements.

- *Incorporate community benefits into land use planning and policy.* In addition to creating a robust and inclusive land use process, legislators can create an infrastructure that encourages provision of real community benefit. They can require major developments to provide Community Impact Reports, detailing the impact that the project will have on jobs, housing, the environment, and public coffers, among other things. They can use regulatory incentives (such as density bonuses) and land value capture mechanisms to strengthen their hand in negotiating for community benefits with developers. And they can write community benefits measures directly in to specific plans, overlay zones and other land use controls.
- *Convene key stakeholders to establish a consensus community benefits framework for major projects.* Legislators can also build support for a community benefits program by bringing a broad range of community voices together to build consensus around community benefits and lay down a political marker for how development should happen.

POLICIES IN ACTION

NEW YORK, 2013: The development of the Kingsbridge Armory into ice sports center in the Northwest Bronx will be governed by a community benefits agreement that provides for living wages for all workers on the project, targeted and local hire for all jobs on the project, more than \$8 million in contributions to a community fund, local contraction and M/WBE utilization requirements, green building measures and community access to project facilities. The CBA was negotiated by the Kingsbridge Armory Redevelopment Alliance, a broad-based coalition of community organizations.

OAKLAND, 2012: The Jobs Policies for the \$800 million redevelopment of the Oakland Army Base as a major warehousing and logistics center established requirements for local hire, disadvantaged hire, living wages, limitations on the use of temp workers, and community oversight and enforcement. The Policies were included in the lease and development agreement between the city and the developer. The policy terms were negotiated between the city and the broad-based Revive Oakland coalition, which also entered into an agreement with the city not to oppose project approvals and under which the city agreed to enforce the Jobs Policies.

SANTA ANA 2012: The city adopted a Sunshine Ordinance

to increase transparency around development projects. The ordinance requires that developers planning to receive private subsidy hold a community meeting shortly after submitting project applications to provide information and take public comment, later making the notes publicly available.

PITTSBURGH, 2008: The Hill District CBA, negotiated with the developers of the new Penguins hockey arena, ensures funding for a new grocery store, union neutrality for all permanent jobs at the arena, requirements to hire local workers, and funding for a community center.

MILWAUKEE, 2004: The Board of Supervisors adopted the Park East Redevelopment Compact, attaching standards and criteria for proposals to develop 16 acres of previously underdeveloped prime real estate owned by the county. The compact requires payment of prevailing wages on construction jobs, and favors proposals that include affordable housing, contracting with disadvantaged and local businesses, job training, and green building.

Other CBAs have been signed in Atlanta, Denver, Milwaukee, Minneapolis, Oakland, San Diego, San Francisco, San Jose, Syracuse, Washington D.C., and Wilmington.

LANDSCAPE AND RESOURCES

Land use and economic development policy is highly local and complicated, and legislators should consult with lawyers and advocates early in the development process.

The **Partnership for Working Families** (PWF) with its **Community Benefits Law Center** is the leading authority on community benefits. The organization **Good Jobs First** has created a valuable set of materials to introduce readers to the development process. The **Center for Popular Democracy** can help you build a strong coalition in favor of development that works for your entire city.

Co-authored by the Partnership for Working Families

