GARE Monthly Membership Meeting: Community Benefits Agreements

December 3, 2018

Speakers:
Julian Gross, James O. Gibson Innovation Fellow, Policy Link
Alex Tittle, Disparity Reduction Director, Hennepin County
Tracy Zhu, Acting Community Benefits and Social Responsibility Manager, San Francisco Public Utilities Commission
What are CBAs?

CBAs are legally enforceable private contracts negotiated between a prospective developer and community representatives when a public entity is considering approval of a large development project.

A CBA specifies community benefits that the developer will provide in exchange for community representatives’ support of the proposed project.
CBA Context

- Large public/private project in urban area
  - Disproportionately impacts low-income people and communities of color – but also provides opportunities
- Public entity is *negotiating*, not *regulating*
- Strengthened slate of community benefits leads to broader community support and changes politics re project approval
  - *Community Benefits*: concrete commitments that will improve the lives of local residents, and that require *targeted negotiation*
  - CBAs only work where the public entity is responsive to stakeholder views
  - The broader a coalition, the more credible and influential it is
CBAs often include commitments by developer to provide:

- Affordable housing
- Job access and job quality:
  - local/disadvantaged hiring for construction and permanent jobs; connection to “first source” referral system
  - payment of living wages
- Financial support:
  - $$ for job training
  - $$ for other community needs
- Improvements in project design:
  - creation of green space/open space
  - community-serving facilities
CBAs include *commitments by community representatives* to:

- **Support the project** during public approval processes (or at least to refrain from opposing it)

- **Refrain from litigation** over the project

- **Assist in implementation** of certain aspects of the CBA or the project
Who Creates CBAs?

- **Coalitions of community-based organizations** directly negotiate a CBA with developers, gaining community benefits in exchange for project support or non-opposition.
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- **Developers** directly negotiate a CBA with community coalitions, gaining support for their project in exchange for a commitment to provide community benefits.

- **Elected and appointed city officials** keep lines of communication open to ensure consistency with City’s policy goals.
Community stakeholders generally fall into three categories:

- Support the project.
- Support, if... Will support if project improved to meet community needs.
- Oppose the project.
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Community stakeholders generally fall into three categories:

- **Support** the project.

  *Support, if...* Will support if the project is improved to meet specified community needs, and those commitments are legally binding

- **Oppose** the project.
Typical Development Approval Process (No CBA)
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Typical Development Approval Process (No CBA)

City Council

Development Agreement (DA)

Developer
Challenges:

• Stakeholders face severe challenges in trying to get their priorities into a Development Agreement -- and then get them enforced

• Elected officials and public entity staff also face challenges as well

• Since Development Agreement is a contract, not a law:
  ➢ it can only be enforced by City and Developer
  ➢ it requires resources and focus for City to monitor and enforce
  ➢ it can be amended over time

➢ Overall: bad track record on negotiation and implementation of many community benefits
Development Project With a CBA

City Council

Development Agreement (DA)

Developer

Community Coalition
Development Project With a CBA

City Council

Development Agreement (DA)

Community Benefits Agreement (CBA)

Developer

Community Coalition

PolicyLink

Lifting Up What Works®
Coalition negotiates *directly* with Developer to create a contract — the community benefits agreement — containing *only* issues that the coalition cares about.

**Coalition leverage:**

- Offer of support during project approval hearings
  
  ➢ Support or non-opposition at public hearings makes approval process faster and smoother for developer and local government

- Offer to abandon legal challenges to the project

- Offer to strengthen relationships with local partners and the local community as project moves forward
Role of Elected and Appointed City Officials

– Indicate to developer that degree of community support for the project will be important in the approval process
– Provide transparency to the public regarding the project and the approval process
– Promote CBA negotiations without requiring or controlling them
– Keep lines of communication open, to ensure that the CBA is consistent with City’s policy goals
Alex Tittle
Hennepin County
Tracy Zhu
SFPUC
SFPUC’s Community Benefits Program
Social Impact Partnerships

Tracy Zhu, Acting Community Benefits and Social Responsibility Manager

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San Francisco Context
Community Benefit Agreements

Bayview Hunters Point Core CBA
+ Project: New master planned development including 12,100 units of homes, commercial sites, and green spaces on the former naval shipyard, a Superfund site

Central Market & Tenderloin Payroll Expense Tax Exclusion ("Twitter Tax Break")
+ Project: Attracting tech businesses to economically depressed area by exempting them from additional payroll taxes as they add jobs
Our Mission

To provide customers with high quality, efficient and reliable water, power, and sewer services...

in a manner that is inclusive of environmental and community interests, and that sustains the resources entrusted to our care.
The SFPUC Opportunity

$1 Billion Operating Budget

2,300 Employees

$4.8 Billion Water System Improvement Program

$6.9 Billion Sewer System Improvement Program

Moving from Individual Project Negotiations to Institutionalized Community Benefits
Guiding Policies

Environmental Justice Policy
SFPUC Commission Resolution No. 09-0170 dated October 13, 2009

Community Benefits Policy
SFPUC Commission Resolution No. 11-0008 dated January 11, 2011

• Directs the SFPUC to be a “good neighbor” to all whose lives or neighborhoods are directly affected by our operations, programs, and policies.

• Established the Community Benefits Program under External Affairs to implement the policy and guide our agency’s investments in the community.

• Defines community benefits as those “positive effects on the community” that result from the operation and improvement of our water, wastewater and power services.”
Community Benefits Program

Our Good Neighbor Policies

Community Benefits 2011
Environmental Justice 2009

Education
Developing the next generation of environmental stewards, ratepayers & skilled workforce

Arts
Enriching communities through arts & cultural programs that align with the agency’s values & goals

Workforce & Economic Development
Advancing our talent pipeline and creating new opportunities for workers & businesses

Environmental Justice & Land Use
Integrating environmental justice to support a healthy place for people to live, work, learn & play

Neighborhood Revitalization
Providing opportunities in the neighborhoods most impacted by our water, power & sewer operations

Values: Equity and Inclusion * Authentic Stakeholder Engagement * Leveraged Partnerships
Social Impact Partnerships

SFPUC Investments + Contractor Commitments + Community Partners = Measurable Impact

**Statistics**

+ 60 Professional Service, Alternative Delivery, and Procurement contracts which have generated nearly $32.7 million in direct financial contributions, volunteer hours, and in-kind donations for schools and nonprofits.

+ Firms have impacted dozens of organizations and hundreds of residents to providing internship opportunities, adopting schools, building community gardens and playgrounds, investing in work readiness programming, and conducting trainings at the Contractors Assistance Center.

+ This year, we expanded the program into energy procurement contracts (i.e. Clean Power SF).
Contract Analyst identifies RFP/RFOs with anticipated contracts of $5 million and above to include CB and notifies External Affairs.

EA Meets with Project Manager and Contract Analyst to Discuss CB Goals.

EA Submits CB Language for RFP/RFO to Project Manager and Contract Analyst.

EA Participates in Pre-Bid; Answers CB-Related Questions.

EA Selects a CB Review Panel Approved by the Contract Monitoring Division.

EA Orients Panelists, Reviews Proposals, and Submits Scores to Project Team.

EA Finalizes Contract Agreement Language and Submits to City Attorney.

Contract is Signed and Executed.

EA Meets with Contractors to Discuss Plan, Timeline, and Reporting.

EA Meets Annually with Contractor and Reviews Reporting.

= Points of Negotiation
Bayview: SSIP CityWorks

+ CityWorks is a paid internship program providing students 15-19 years old from SF’s Southeast neighborhoods with summer jobs.

+ As of 2018, 147 interns have participated in CityWorks, spending six weeks working at the SFPUC or with private engineering firms.

+ Students explore careers in engineering, design, architecture, urban planning, operations, environmental management, finance and communications.
Peninsula: Water Education Campaign

+ Youth United for Community Action (YUCA) trains and hires youth of color organizers in East Palo Alto around environmental justice and affordable housing.
+ YUCA has partnered with Brown and Caldwell to research and educate the community about the City of Palo Alto’s history of water access and supply.
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Lessons Learned

+ Public agencies have a unique role to play to setting the tone for values and approaches to racial equity.

+ Building Community Benefits into the Contracting process is one way to expand the amount of resources available to nonprofit and school partners from the private sector.

+ If public agencies invest in racially equitable strategies and building authentic relationships with nonprofit and school partners, we can leverage private resources through their corporate social responsibility efforts.
Thank you!

Contact for more information:
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www.sfwater.org/socialimpactpartners
Sample of Participating Firms in Social Impact Partnerships Program
Contact information

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Tracy Zhu
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www.racialequityalliance.org
Additional CBA Resources

*Delivering Community Benefits Through Economic Development: A Guide for Elected and Appointed Officials*
http://www.forworkingfamilies.org/resources/publications/cba-elected-officials

*Common Challenges in Negotiating Community Benefits Agreements*
Member Question Spotlight

• Do any GARE Member jurisdictions have committees that are focused on issues around diversity, inclusion, race, etc… specifically Committees that are Council appointed residents to the Committee or Board on that topic?
Subject Area Working Groups

Rapid Response Hate Crime Response Toolkit:
• Proactive and Preemptive
• Bold Leadership
• Support the Community
• Work with Local Law Enforcement
• Increase Reporting of Hate Crimes and Violence
• Support Your Employees
• Trauma Informed Response
Subject Area Working Groups

Sample attachments:
- Legislation, ordinances, or mayoral decrees
- Press releases and other formal communications
- Resources Guides/Toolkits
- Internal Staff Memos
- Diagrams, visuals, and or photos
- Quotes from elected officials, staff, or community leaders
GARE Membership Meeting
April 16-18 2019
Albuquerque, NM
Registration

- Early Bird Registration: Nov 30 - Jan 21st
- General Registration: Jan 22nd – April 8th
- Ticket Structures for Core Members
April 16

Pre-meeting workshops and trainings, including an Advancing Racial Equity Training, a Train-the-Trainer, and a Racial Equity Toolkit Train-the-Trainer, will be offered to members on a first-come, first serve basis. **Tickets for these trainings are $125/person and should be booked early!**
Program

April 17-18

• Workshops conceived and delivered by members for members.
• Focused time for subject area working groups to advance their promising practice.
• Regional gatherings that will allow teams to build their action plan for 2019-20.
• Inspirational plenary speakers that bind the various elements of the sessions together and build a vision for the road forward.