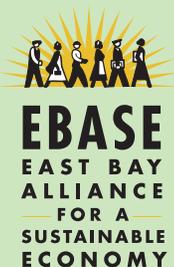




BUILDING A BETTER BAY AREA:

Community Benefit Tools and Case Studies
to Achieve Responsible Development

SEPTEMBER 2008



A PUBLICATION OF THE EAST BAY ALLIANCE FOR A SUSTAINABLE ECONOMY (EBASE)

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EAST BAY ALLIANCE FOR A SUSTAINABLE ECONOMY (EBASE)

EBASE advances social and economic justice by building power and raising standards for working families in the East Bay.

EBASE passes laws that make work pay, works to ensure that economic development projects create good jobs and community benefits, and stands up against workplace discrimination and exploitation of immigrants and people of color. EBASE envisions an economy that works for working people. In our vision, all workers—from nurses to teachers to janitors, housekeepers and grocery clerks—earn enough to live in dignity. All workers enjoy respect, a voice on the job, and human and civil rights, irrespective of race, immigration status, gender, or sexual orientation. Prosperity and economic opportunity are broadly shared. Economic development benefits communities and creates family-supporting work. In our vision, a just and sustainable economy is rooted in a vibrant democracy, in which working families and communities exercise their voices in decisions that affect their lives, and hold corporate and government decision-makers accountable.

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Acronyms

ADC	Accountable Development Coalition, based in Santa Rosa, California	ELI	Extremely Low Income, a definition used for housing affordability
AMI	Area Median Income	FSA	First Source (Hiring) Agreement
BART	Bay Area Rapid Transit	JEPA	Joint Exercise Power Agreement
CBA	Community Benefits Agreement	MSA	Metropolitan Statistical Area, a geographic area defined by the Census Bureau
CIR	Community Impact Report	RFP	Request for Proposals
DA	Development Agreement	RFQ	Request for Qualifications
DDA	Disposition and Development Agreement, for redevelopment projects	SMART	Sonoma Marin Area Rapid Transit
DTR	Downtown Residential District, in San Francisco	SOMA	South of Market, a neighborhood in San Francisco
EIR	Environmental Impact Report	TOD	Transit-Oriented Development

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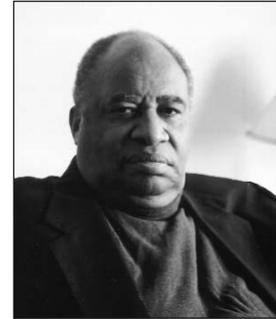
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FOREWORD



By Dr. Carl Anthony

THREE WEEKS AFTER the assassination of Martin Luther King, Jr., an uprising exploded at Columbia University that sparked similar rebellions across the country. The year was 1968 and the University had just broken ground on a gymnasium to be built in a public park that it shared with the Harlem community. The gymnasium took over 10 years to plan and during that time, the school had virtually no consultation with the people who lived in Harlem about the project. On the contrary, they had unilaterally decided to insert a back door in the building for the Harlem community to walk through in order to use the gym. A handful of African American students at Columbia protested against the exclusivity of the University's plans to build the gym, and this fervor grew over the course of just a few days to escalated proportions. Black students took over the President's office and invited residents from Harlem to join them. The confrontation expanded and the result was that the protestors completely shut down the University for an entire month, the

project was cancelled, and the president of the University was fired.

As a student of architecture at Columbia at that time, and just one of two African Americans in the entire school of roughly 300 students, I saw this confrontation as a dramatic illustration of the University's incompetence in planning with the surrounding community. Since I had gone to the University to obtain the knowledge and skills to develop urban planning processes that would result in community benefits, I was appalled by the University's decision-making method in regards to this project. This sequence of events reaffirmed my commitment to search for a new way that communities could be involved in development projects that met their needs.

At the time, critical questions about development and its responsibility to the community were just beginning to surface—in planning and policy circles, and in community organizing campaigns. What makes a good community, and how can the built environ-

ment reinforce these positive qualities? How can communities build capacity to more effectively respond to development? How can we as professionals break down information barriers and encourage real participation? The traditional planning and architecture framework of the time was largely disconnected from a holistic perspective and vision of what makes a healthy and cohesive community.

Local jurisdictions have tremendous power through land use decisions and development approvals to protect the public's welfare.

How much things have changed. Forty years later, we've seen community benefit campaigns across the Bay Area and nationally engage broad-based community coalitions to tackle hard questions, and ultimately generate better outcomes from large-scale development projects.

As a former Planning Commissioner in Berkeley, I know local jurisdictions have tremendous power through land use decisions and development approvals to protect the public's welfare. With this authority comes tremendous implications—especially since what goes on inside the development process is often so opaque, and also since traditional planning lacks a deliberative process where communities have a say in and control over

the outcomes. Local elected officials and staff have the responsibility to create a more inclusive community process, engage deeply with stakeholders, and encourage a level of information transparency and participation that will ultimately create a better project.

In the 1990s, while negotiating the development agreement for the Bayer Laboratories (then the Miles-Cutter Laboratory), I saw that the more communities were informed and collectively understood what was at stake, the more they could provide to elected officials and others the kind of solutions that were necessary. This led me to see that *instead of seeing community benefit campaigns as only a means to get a certain kind of development, we need to start thinking about the development process as a means for helping to build stronger and more engaged communities.* Many of the community benefit initiatives highlighted in this report are just as much about engagement and empowerment of communities as they are about the specific outcomes from development projects.

As in the Bayer agreement, the broader community benefit efforts highlighted in *Building a Better Bay Area* show the incredible positive potential of people engaged in addressing tough questions about large-scale development projects. As a former planning commissioner, I know that public officials play a key role in building constituencies for good solutions. In the end, local government officials benefit when residents come up with a unified agenda and make demands on us. With an educated and informed population, elected officials have an easier job protecting public welfare. Community benefits and responsible development help provide a path

for elected officials to build broader constituencies for good solutions.

For developers, community benefit initiatives result in clearer standards and expectations of what should come from development projects. In my own experience with the West Berkeley Plan, a package deal of community benefits defined by stakeholders was included in the RFP (Request for Proposal) for the area, and developers who met the criteria applied and got permits within a week. This shows that the more communities understand how and why they should rebuild, the easier it will be for the private sector to meet community needs as well as their profit goals. It has been demonstrated that where there is agreement among communities, the local government entity, and the developer, the risk to the developer goes down.

Perhaps now more than ever, coming together to address complex questions about development and growth is extremely significant. The scale of the challenges we face collectively—climate change, regional equity, income disparities—means local jurisdictions can no longer function within a vacuum. While the community benefit framework starts from the most vulnerable populations in terms of identified need and addressing current conditions, no matter how hard we try to address the problems of one neighborhood or city, we will fail if we don't do something about this neighborhood's or city's relationship to other jurisdictions and the region at large.

The inherent competition among local jurisdictions for jobs, tax revenue, and economic development is unsustainable. Affordable housing, wage, and environmental standards set in one jurisdiction should not

be undercut by the lack of such standards in another. If there are regional standards that create incentives to collaborate toward good solutions, this will ultimately benefit a larger number of people. The policy inventory and case studies in *Building a Better Bay Area* shows that more and more cities and counties in the region are establishing a similar set of standards and expectations for development—a type of cumulative effect that ultimately creates better regional outcomes.

The responsible development framework shows all of us that it is possible to overcome some of the thorny issues surrounding development.

In closing, many people associate the word “building” with actual physical development only, but we also need to focus on building community infrastructure. We—public officials, community members, and developers alike—have a responsibility to engage and make the rebuilding of our communities work for those who are currently there. Engaging communities around responsible solutions can help resolve obstacles that might otherwise seem impossible to overcome. The responsible development framework shows all of us that *it is possible* to overcome some of the thorny issues surrounding development. It is possible

to ultimately reach an agreement in which enlightened communities support the kind of development that makes communities better. It is possible to engage communities in the real decisions that impact their lives, and walk out of such conversations with a “Better Bay Area” for us all.



EXECUTIVE SUMMARY

THE TIME IS RIFE for rethinking the conventional wisdom about economic development. Many communities in the Bay Area face serious challenges: a lack of affordable housing, increasing unemployment, rising violence, a growth of low-paying dead-end jobs, and a shortage of needed services. These challenges have real impacts: hotel housekeepers in Santa Rosa work multiple jobs to make ends meet; Richmond youth search for opportunities out of poverty while witnessing friends fall to violence; a new mother is unable to return to her retail job in San Jose because child care is too expensive; an Oakland teacher moves to Pittsburgh because of the lack of affordable housing. At the same time, most local government officials find themselves struggling to close gaping budget shortfalls while continuing to provide basic services that residents need for a healthy quality of life.

Amidst this reality, broad consensus exists that development and capital investment have tremendous power to change communities and regions—whether by

expanding business activity, providing new job opportunities, creating much-needed housing, or increasing tax revenue. However, as Bay Area residents experience development in their own communities—whether high-rise condominium developments, big-box retail, or expansions of commercial office buildings—the intrinsic benefits of development are being contested. The existing framework for development rarely provides decision-makers and stakeholders with the tools to meaningfully address the social and economic impacts of development projects. In the absence of thoughtful consideration and planning, development can exacerbate poverty, become a missed opportunity to meet residents' basic needs, and put additional strain on overstretched city services and infrastructure.

In response to current conditions, *“responsible development”* represents a framework that orients the benefits of new development toward the greatest needs of a community, and ensures that the costs of development are not borne unfairly by those who can least afford them. Responsible devel-

opment efforts have emerged to help local governments create concrete and successful outcomes—such as affordable housing, local hiring and job opportunities, and neighborhood services—from development. From early-on land use planning down to the project level, responsible development efforts have focused on winning community benefits at several points in the development process.

Responsible development represents a framework that orients the benefits of new development toward the greatest needs of a community.

For local government officials, responsible development can offer a more predictable process toward shared prosperity, along with the ability to balance revenue needs with community needs. Responsible development can provide clarity of purpose to decision-makers as they decide how to use their powers and resources to get development to effectively tackle existing community problems such as underemployment or the lack of affordable housing. In practice, responsible development enables elected officials to encourage development while more effectively addressing critical community needs.

REPORT OVERVIEW

Containing close to 200 community benefit policies and fifteen case studies, *Building a Better Bay Area* shows that a wide range of innovative efforts is being implemented all across the region. More and more local jurisdictions are finding that “development as usual” is not enough to improve conditions for residents, and are realizing instead the value of steering development to create concrete community benefits. Spearheaded by coalitions of community stakeholders working with elected officials and developers, these responsible development efforts are helping to build a better Bay Area where prosperity and opportunity are shared more broadly.

Building a Better Bay Area illustrates the potential to systematize, standardize, and deepen responsible development across the Bay Area region. Specifically, the purpose of this report is threefold:

1. *Highlight the increasing number of existing responsible development projects, processes, policies, and plans that ensure that development benefits the broader community.*
2. *Provide a set of tools for elected officials and community groups to use in their efforts to ensure that developments in their communities are responsible and deliver community benefits.*
3. *Propose a new policy framework for communities throughout the Bay Area, so that high expectations for responsible development become a natural part of the development process.*

In the Introduction to this report, we outline the policy framework and guiding principles for responsible development, discuss how responsible development benefits a wide range of stakeholders, and highlight the role local government can play in encouraging it.

Each of the subsequent four sections addresses one of the main tools for securing community benefits and responsible development. These tools—the 4 Ps—provide flexibility for local decision-makers to tailor the outcomes of development to the specific conditions of the city or county:

- **Project-based negotiated agreements.** Negotiated agreements—such as Community Benefits Agreements (CBAs)—are signed by a mixture of community stakeholders, developers, and local government entities. This section of the report describes different types of negotiated agreements, the opportunities that become available by using this tool, and general tips for local government officials who want to pursue CBAs. Eight case studies in this section bring CBAs to life. These include the Oakland Uptown project that will create 210 affordable homes, many of which are family-sized units; the San Francisco Westfield project, which was projected to provide nearly \$3 million towards a range of community benefits; and Berkeley’s Bayer Biotechnology expansion, which promised to provide \$12 million in community benefits to enable residents to access jobs.
- **Process reform.** Reforming the approvals process can provide more information on development impacts, bring stakeholders together early on in the process, and create



Photo from Marie McKenzie, First Source Hiring Program, City of East Palo Alto

high community standards for developer selection. This section provides two examples of changes in the development process that can lead to greater responsible development outcomes: community impact reports and request for qualifications/request for proposals (RFQ/RFP). Three case studies highlight process reform efforts including San Jose’s groundbreaking Cost-Benefit Analysis pilot project for evaluating community impacts, and Sonoma Marin Area Rapid Transit (SMART) district’s use of an RFP to set community benefit standards for the development of publicly owned land.

- **Policies that set community standards.** Community standards policies are laws, regulations, and practices that help ensure that the basic social, economic, and environmental needs of a community are met by certain development projects. In our inventory of 78 Bay Area cities, counties, and local jurisdictions, we found close to 200 community standards policies related to

Community benefit tools can be tailored to meet the community's needs, local context, and the community stakeholders involved.

workforce, housing, and livability. The inventory results are clear: compliance with community standards is becoming an everyday part of doing business in the region. Four case studies reveal this widespread trend, including East Palo Alto's thriving local hire program and Dublin's fast-producing inclusionary housing policy.

- **Planning processes.** To support more responsible development, land use planning documents and strategic plans should create clear goals and criteria for prioritizing the allocation and use of public resources—such as public land, leases and contracts, subsidies, land use approvals, and city staff time. This section provides a snapshot of efforts to include community benefits into land use documents such as General Plans and Specific Plans, and into comprehensive strategic plans such as adopted citywide Economic Development Strategies.

SUMMARY OF FINDINGS

In the Conclusion, *Building a Better Bay Area* charts the main lessons learned and discusses two main factors that influence what can be achieved or won from responsible develop-

ment campaigns. In summary, *Building a Better Bay Area* finds that:

- *More and more, Bay Area jurisdictions are embracing the responsible development framework and utilizing its tools to harness the power of economic development to address real community needs.* With close to 200 community standards policies in place, rich project-based case studies, and emerging efforts to reform the process and utilize planning to establish community benefit standards, officials from across the Bay Area are finding that responsible development makes sense and effectively works in their communities.
- *The responsible development framework benefits a wide range of stakeholders and, on the whole, can reduce the risk of conflict and opposition.* Many individuals, communities, and institutions benefit from this new way of doing business—from residents in need of services, to workers searching for family-supporting jobs, to elected officials managing the competing needs within a city, to developers looking for smooth approvals processes to complete projects on time. The responsible development framework establishes early and more effective mechanisms for communication among stakeholders, enabling residents to shape projects well in advance of the final approvals.
- *Tools can be tailored to meet the community's needs, depending on the local context and the community stakeholders that are involved.* All of the tools, from project-specific negotiated agreements to planning, are flexible enough to work in the context of local economies and to address particular community issues. Different communities

have different needs and may have particular policies, programs, or procedures that can be leveraged to create maximum benefits. By avoiding a “cookie cutter” trap, responsible development tools can be used in urban cities, growing suburbs, and small towns alike.

- *Implementation, monitoring, and enforcement are key to ongoing success. Winning a particular CBA, policy, process, or plan is only half the battle.* Without enforceable language, defined timelines and benchmarks, clear and consistent reporting requirements, and specific staff or agency accountability, the victories can be whittled away in the implementation phase—thus undermining the work of community members and elected leaders who fought for and agreed to the stated community benefits.
- *In the end, responsible development not only results in housing, jobs, and services, but also in engaged and empowered community*

members. Through these tools, residents and workers can determine and realize their own vision for development, build relationships with neighbors, learn new skills, and civically participate in new and meaningful ways. Many of these individuals go on to participate in other efforts to create healthier and more equitable neighborhoods and workplaces.

Through the inventory and case study of local efforts, *Building a Better Bay Area* shows the feasibility and effectiveness of responsible development, and documents how more and more Bay Area jurisdictions are establishing policies and practices that effectively work towards this goal. In combination, responsible development efforts at the local jurisdiction level are setting a higher regional standard—one that ensures that development meets community needs, creates broadly shared prosperity, sustains vibrant neighborhoods, and builds a better Bay Area for us all.



INTRODUCTION: Making the Case for Responsible Development

A NEW POLICY FRAMEWORK FOR DEVELOPMENT DECISIONS

There is broad consensus that development and capital investment have tremendous power to change communities and regions—whether by expanding business activity, providing new job opportunities, creating much-needed housing, or increasing tax revenue. *However, as Bay Area residents experience development in their own communities—whether high-rise condominium developments, big-box retail, or expansions of commercial office buildings—the intrinsic benefits of development are being contested.* While redevelopment was created to “...expand the supply of low- and moderate-income housing, to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic, and

psychological growth and well-being of all citizens,”¹ many do not benefit from redevelopment’s stated purpose.

Without careful planning, development can exacerbate existing problems of poverty and inequality. Major development projects can raise housing costs, displace families, increase traffic congestion, and spew environmental toxins into neighborhoods. Development can lead to more low-wage, dead-end jobs with no health benefits, leaving the region’s workforce no better than before. Jobs created through development can also end up benefiting mainly residents from outside the region, thereby creating a strain on city services, infrastructure, housing demand, and housing affordability. Local governments can face burdens from development that overstretch city services and exhaust existing infrastructure without new revenues to back-fill the additional costs.



In the absence of thoughtful consideration and planning, development can become a missed opportunity to harness economic growth in a way that provides broadly shared prosperity. The result is a reshuffling of poverty from the inner cities to the suburban fringe, or from one neighborhood to another, rather than generating more benefits from development projects to help address existing needs.

History shows that development can have a powerful impact on communities. Beginning in the 1950s and 60s, the shift of development and investment from inner-urban areas to new suburban communities in the Bay Area resulted in disinvested downtowns and sprawling subdivisions on the urban fringe—contributing to prosperity for some, and chronic unemployment and poverty for others. In the 70s, redevelopment subsidies and other location incentives began to reduce the cost of building projects in many urban areas. The housing boom of the early 2000s meant large-scale residential and retail development began pouring back into the core

urban areas of the Bay Area, creating an urgency to balance the opportunities of reinvestment on one hand, with the risks of displacement, lack of quality job opportunities, and housing costs beyond the reach of most families on the other. Market forces—such as the rising costs of suburban living, the cost of gasoline, and a preference for urban lifestyles—all created a demand for urban development and redevelopment.

RESPONSIBLE DEVELOPMENT AS A PATH TOWARD SHARED PROSPERITY

As capital investment comes to our urban and suburban areas, the question is: Can we learn from the past and create a policy and planning framework that ensures that the benefits of development create shared prosperity?

This report provides an inventory of the wide range of innovative efforts being implemented across the Bay Area that are helping to make development more responsive to the needs of workers, neighborhoods, and communities. *“Responsible development” is a framework that orients the benefits of new development toward the greatest needs of a community and ensures that the costs of development are not borne unfairly by those who can least afford them.* Responsible development policies and practices include:

- results-oriented community standards, such as inclusionary housing and living wage laws
- social and economic impact assessments
- innovations in project planning review and community participation
- community agreements that legally codify the creative solutions generated through negotiation.

Together, these responsible development policies and practices help balance the needs of developers, public institutions, and community stakeholders.

GUIDING PRINCIPLES FOR RESPONSIBLE DEVELOPMENT

The way development is pursued, and hence its outcomes, ultimately reflects our collective values. *Development can either intensify inequality, reinforce disparities, and create clear winners or losers, or it can spread equity, empower workers and neighborhoods, and ensure sweeping benefits.* In order to achieve and promote more responsible development, this report proposes four guiding principles for responsible development:

1. *Establish clear and equitable goals.* Local government should make creation of economic opportunity and reduction of

Development can either intensify inequality and reinforce disparities, or it can spread equity and empower workers and neighborhoods.

poverty and social inequality a primary goal for all new development. This goal should be established up front in planning documents and local government policy. Without clear, predetermined goals that meet community needs, local governments are left fighting with stakeholders over what a development project should provide.

2. *Utilize clear criteria and responsible planning.* Scarce resources, such as public

Terms and Concepts

In this report, we refer to *development* as all economic or real estate development that involves the investment of public or private money and resources (such as land and entitlements) that are used to improve property or to attract, retain, and expand businesses and employment.

Local governments have tremendous control over state-defined *redevelopment* powers, such as tax increment financing and eminent domain, to determine the course and character of development. Redevelopment represents a subset of overall development-related activity at the local level, and only applies within designated Redevelopment Areas that suffer from blight or economic underinvestment. Some urban cities have a majority of their jurisdiction designated as Redevelopment Areas.

Responsible development is a subset of development and redevelopment, and represents a policy and planning framework that harnesses and orients the benefits of development to address the greatest needs of a community.

subsidies and public land, should be guided by clear criteria that evaluate which options will have the greatest, long-term positive impact on community needs. This means that early on, all the potential consequences of a development—environmental, social, and economic—should be studied to shape the criteria used in decision-making.

3. *Make informed choices.* Economic development decisions should be based on an informed assessment of the positive or negative impacts of proposed projects on the critical needs of communities. This information should be transparent and shared with the community.

The individuals and institutions most affected by economic development decisions, including residents and workers, should help guide the outcomes of economic development.

4. *Create open, transparent, and accountable processes.* The individuals and institutions most affected by economic development decisions, including residents, workers, community-based organizations, local businesses, and labor unions, should help guide decisions about the priorities and outcomes of new economic development.

WHO BENEFITS FROM RESPONSIBLE DEVELOPMENT?

A responsible development framework helps fulfill a development promise of broadly shared growth and prosperity. Responsible development can engage and benefit a range of stakeholders with a broad spectrum of political interests. These stakeholders include:

- *Neighborhood residents.* Residents can benefit from the creation of needed retail and services, community facilities, parks and open space, and other community and neighborhood amenities. Development involving the cleanup of toxic sites for reuse can reduce environmental hazards for residents. With careful planning, responsible development can help prevent gentrification and displacement, and improve quality of life for existing residents.
- *Workers and job seekers.* Development can create new jobs that contribute to the economic vitality of the community and region. Responsible development can help reduce poverty and unemployment by providing quality employment and training opportunities for local residents.
- *Local governments.* Development can create new revenues for cities, counties, school districts, and other government agencies to fund public services. By offering a more predictable process toward shared prosperity, responsible development can help to balance revenue needs with community needs. As decision-makers decide how to create development that significantly tackles existing community problems such

as underemployment or the lack of affordable housing, responsible development can provide clarity of purpose to local elected officials and staff.

- *Developers and construction businesses.* By improving property and building assets, capital investors, architects, construction contractors, and developers profit from development. Responsible development helps clarify expectations of developers on the front end, so that costs are determined early. If the community and developers are able to come to a mutual agreement, community support may be provided through the approvals process to help reduce risk. Ultimately, with responsible development, developers and contractors benefit from having a more productive workforce and a healthier community in which to conduct business.

LOCAL GOVERNMENT'S ROLE IN PROMOTING RESPONSIBLE DEVELOPMENT

The existing framework for development rarely provides decision-makers and stakeholders with the tools to meaningfully address the social and economic impacts of development projects. For example, criteria for changing land use regulations such as general plans and zoning exclusively emphasize the spatial effects of development, rather than exploring housing affordability or wage impacts on a surrounding community. Assessment of fiscal impacts often focuses on short-term revenue gains, without looking at long-term service or other costs.

In response to this broken framework, responsible development efforts have

emerged to help local governments create concrete and successful outcomes—such as affordable housing, local hiring and job opportunities, and other neighborhood services—from development. These efforts have focused on winning community benefits at several points in the development process—from early-on land use planning and strategy development to the on-the-ground project level.



SMART GROWTH AND RESPONSIBLE DEVELOPMENT

Many local governments have already embraced smart growth as one key aspect of responsible development. In the current development landscape, there is an opportunity to connect the “smart growth” framework of urban planning with a responsible and equitable development framework grounded in social and economic equity.

The traditional smart growth framework seeks to promote urban “infill” development as a way to alleviate the environmental damage and cost of congestion wrought by suburban sprawl. Building along transit corri-

dors; developing in or near downtown areas with existing infrastructure; and promoting mixed use, pedestrian- and bike-friendly, high-density development are all key examples of smart growth strategies. Smart growth principles promote sustainability in terms of environmental outcomes, economic impacts, and social equity.



In practice, however, equity is not always incorporated into smart growth projects, such as when a dense new housing development is built downtown but does not hire locally for the construction jobs. This disconnect is a missed opportunity, given the potential these projects have to mitigate the devastating effects of neglect and disinvestment in inner-urban communities. For example, high-density transit-oriented development projects (TOD) near downtown subway and bus lines can and should also include two- to three-bedroom affordable housing units that are accessible for low-income families. This example of smart growth achieves more responsible development by including affordable units near transit so that low-income

families also benefit from accessible transit options to get to and from work, schools, and other services.

Ultimately, responsible development tools are in many ways an extension or expansion of smart growth. By addressing the potential benefits and risks for low-income communities regarding development returning “back to the city,” responsible development can help reinforce and expand the equity element of the smart growth framework and movement.

RANGE OF TOOLS FOR RESPONSIBLE DEVELOPMENT

Local elected officials can choose from a range of responsible development tools to meet the particular needs of their community, ranging from benefits generated from specific projects to language prioritizing community benefits in general plan documents drafted even before specific parcels are identified. This report addresses four tools (the 4 Ps) for securing community benefits and responsible development:

- **Project-based negotiated agreements.** Negotiated agreements—such as Community Benefits Agreements (CBAs)—are signed by a mixture of community stakeholders, developers, and local government entities. Typically, a developer or city agrees to provide a set of benefits, such as first source hiring, community facilities, or the inclusion of more family units in a housing development, to a community. In exchange, the community members agree to support a project during the approvals process. In a traditional CBA, this agreement is codified in a binding contract between the developer and the community coalition.

- **Process reform.** Some communities seek to change the so-called “rules of the game” for development—changing the process of development itself to achieve better outcomes. Process reform can provide more information on development impacts, bring stakeholders together early on in the process, or create high community standards for developer selection. Such reforms not only help communities gain better information, but they also create more meaningful opportunities for participation and can help set particular standards—such as local hire and affordable housing provisions—as a condition of a developer’s bid on a project.
- **Policies that set community standards.** Community standards policies are laws, regulations, and practices that help ensure that the basic social, economic, and environmental needs of a community are met by development projects that meet or exceed certain practical thresholds. Examples of community standards policies include living wage ordinances, local hiring requirements, and inclusionary zoning.
- **Planning processes.** Local jurisdictions shape development through land use decisions codified in general plans and specific plans; hence, these jurisdictions can promote responsible development and establish standards through these existing land use and planning documents. Strategic plans for economic development can create clear goals and criteria for prioritizing the allocation and use of public resources—such as public land, subsidies, and land use approvals—to support more responsible development.

While this report highlights these four tools, we recognize that there are no “cookie-cutter” templates for achieving responsible development and community benefits. Stakeholders have the flexibility to tailor the outcomes of a project to the particular needs and conditions of a community, using whatever tools are at their disposal. The unifying

Local elected officials can choose from a range of responsible development tools to meet the particular needs of their community.

theme of responsible development is that it seeks to deliver broad social benefits by forging enforceable agreements among workers, residents, and community organizations on the one hand, and local jurisdictions and developers on the other. The tools and campaigns we describe are merely a starting point for re-diverting the benefits of development and intervening in the local economy. Combined with other tools to achieve social and economic justice, *responsible development efforts can help shift the course and character of development to result in more broadly shared prosperity.*

This report tracks case studies and best practices of specific coalitions of residents, community organizations, labor unions, and other institutions to build more responsible

developments in the Bay Area. Taken as a whole, the evidence provided in this report shows the feasibility and effectiveness of responsible development, and documents how more and more Bay Area jurisdictions are establishing policies and practices that effectively work towards this goal. Respon-

sible development efforts at the local jurisdiction level are setting a higher regional standard—one that ensures that development meets community needs, creates broadly shared prosperity, and sustains vibrant neighborhoods.



CHAPTER 1

Project-based Negotiated Agreements and Community Benefits Agreements: Finding Creative Solutions to Address Local Conditions

PERHAPS THE MOST well known way to codify community benefits is at the individual project-based level, through a negotiated agreement. Negotiated agreements are created mainly for very large projects that require multiple levels of development approvals, or for projects planned in communities where no overarching policy is in place.

Negotiated agreements can provide a win for all parties. Because these agreements are project-based, they offer flexibility in establishing creative solutions that respond to existing neighborhood conditions. Through direct negotiations, developers agree to provide tangible benefits to the communities most affected by their projects. In exchange, community members agree to support a project during the approval process.

Negotiated agreements can be used to secure a range of community benefits. From local hire to job training, affordable housing to child care centers, public art contributions to health clinics, negotiated agreements can be used creatively to promote development that improves communities. For example, a negotiated agreement might include the developer's commitment to find a commercial tenant who offers high-quality groceries, provides a high level of on-the-job training, and has a proven commitment to hiring local residents.

We often refer to any type of agreement that secures benefits within a development project as a community benefits agreement (CBA). Traditional CBAs are negotiated between the developer and community stake-



holders before the conclusion of the development approvals process. Negotiated agreements, however, can appear in other forms. In this section, we will discuss the various types of negotiated agreements that can be used in different circumstances.

TYPES OF PROJECT-BASED NEGOTIATED AGREEMENTS

Negotiated agreements involve at least two parties, where the signatories are a combination of the developer, community coalition, and local jurisdiction.

- In a traditional *CBA*, the signatories are the community coalition and the developer.
- In attachments to *development agreements* (DAs) or in *cooperation agreements*, the local jurisdiction is a signatory along with either the developer or a community coalition.

Community Benefits Agreements (CBAs)

While we often refer to any type of negotiated agreement on an individual project as a

community benefits agreement, traditional CBAs are negotiated between a developer and community stakeholders before the conclusion of the development approval process. In a traditional CBA, a developer agrees to provide a set of benefits, such as first source hiring, the provision of community facilities, or the inclusion of more family units in a housing development, directly to a community. In exchange for these commitments, community members agree to support a project during the approval process.

Because a CBA is signed and negotiated directly between a community coalition and the developer, the community can legally enforce its provisions. This provides the strongest enforcement capacity, because the community can use legal remedies if needed. The terms of the agreement are strongest when they clearly define performance benchmarks, reporting requirements, and enforcement provisions.

CBAs help improve the development process for all involved: community members, developers, and local governments. CBAs not only codify the commitments of the developer, but they can also include requirements of local government and of the community groups that participated in the negotiations. In some cases CBAs can be incorporated into development agreements (DAs) negotiated between local governments and developers, while in other cases they remain separate.

CBA negotiations should be concluded before the execution of a DA, to allow the developer to enjoy the full benefit of formalized community support while seeking government approval for a DA.

Negotiated Labor Agreements and CBAs

Negotiated labor agreements for specific development projects help project job quality standards and can improve predictability during the construction and operation phases of development. CBAs can include or be negotiated alongside specific labor agreements made between unions and developers. These labor agreements can cover construction workers through project labor agreements (PLAs), and permanent on-site workers through labor peace and card-check neutrality agreements.

PLAs are negotiated agreements between project owners or the prime contractor, and workers represented by the local Building and Construction Trades Council. Like CBAs, terms of a PLA are flexible and tailored to the specific project. Some common provisions include uniform work rules, consistent pay and benefit standards, hiring procedures including local hire, and labor dispute resolution. The main benefits of PLAs are that they provide a skilled workforce on projects that are free of work stoppages. This enables more PLA construction projects to be completed on time and on budget.

Labor peace agreements and card-check neutrality agreements are agreements between an employer and a labor union that outline the rules for workers and employers to follow during an organizing drive. Labor peace agreements ensure that employers will agree to reduce labor strife by engaging in negotiation and arbitration instead of allowing disputes to elevate to work stoppages and strikes. Card-check neutrality agreements include a promise by employers to remain neutral should workers choose to collectively organize under a labor union. In exchange, labor unions and workers agree to arbitrate disputes and pledge not to picket, boycott, or go on strike. Both agreements help establish a more fair process for workers to exercise their basic right to organize for better standards and working conditions.

In particular cases where the city or local jurisdiction has a financial stake in a project, the public entity can require developers to sign labor agreements that protect the local government's financial investment. The public financial investment, such as leasing public land to a developer or contracting out to provide services on public land, is put at risk by work stoppages and strikes. In these cases, the local government entity can ensure labor peace in the development agreement as a means of protecting the public financial investment.

Labor agreements can be negotiated alone or in cooperation with a CBA, with worker standards being negotiated alongside community standards. When negotiated parallel to a CBA, the labor agreement is usually considered part of the overall CBA package.

From local hire to affordable housing to child care centers, negotiated agreements can be used creatively to promote development that improves communities.

Development Agreements and Cooperation Agreements

While CBAs provide the best leverage for community stakeholders to legally enforce the commitments made, other negotiated agreements can be used to codify community benefits. Community benefit agreements can be incorporated into a *development agreement (DA)* between the local jurisdiction and developers. A DA is an agreement between the local jurisdiction and the developer in which the local jurisdiction promises to lock in all land use laws for that project for a specified period of time. In return, the developer promises to contribute to infrastructure and provide certain community benefits.

However, because a DA is signed only by

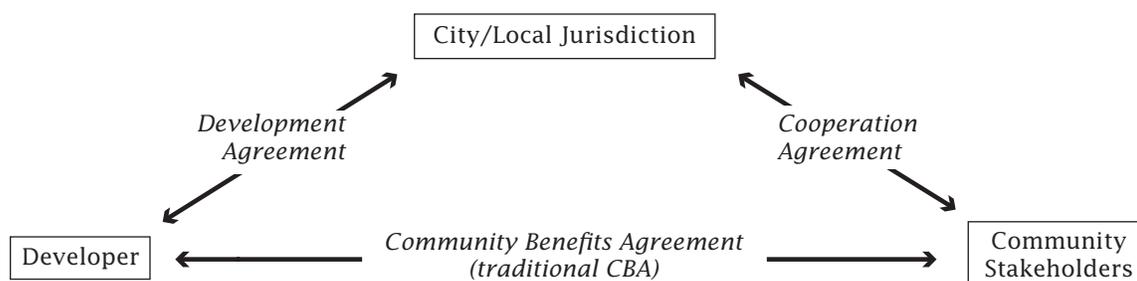
the developer and the local jurisdiction or city, the community does not have the same direct legal enforcement leverage it does in a typical CBA. Thus, in these cases it is wise for a community coalition to sign a *cooperation agreement* with the local jurisdiction. These agreements can spell out agreements between the city (or local jurisdiction) and the community coalition, and specify how both parties will work together to ensure that the stated community benefits become reality.

DAs do not all involve the same level of public participation. While some DAs are negotiated through a transparent process of community meetings and committee deliberations, others are negotiated behind closed doors with only indirect community involvement, such as public hearings toward the end of the negotiation process. Community benefit campaigns at the project level often help to open up the DA drafting process for closer public involvement, review, and transparency.

BENEFITS OF CBAS AND NEGOTIATED AGREEMENTS

Regardless of the combination of developers, communities, and local jurisdictions

Signatories to a Negotiated Agreement



involved, negotiated and signed CBAs accomplish three important goals:

- *CBAs help a development project meet community needs through flexibility and creativity.* Most local jurisdictions, especially in urban cities, struggle to meet all residents' and workers' needs—whether for housing, livable wages, or neighborhood services. With public budgets tightening, cities are often forced to make tough choices about what issues to prioritize and address.

In this context, CBAs are a way to harness the power and resources of development to help meet community needs. CBAs guide a developer's contribution to the community in a way that supplements existing city services. And because CBAs are negotiated for each project individually and have fewer legal limitations, they can offer the most flexibility of any community benefit tool. These agreements can include a range of community benefits, depending on the needs of the community and the project at hand.

- *CBAs provide community members with a way to build community capacity, engage directly with developers, and shape development proposals.* Because the standard development approval process is not conducive to a true dialogue between developers and communities, it often leads to a contentious and drawn-out approvals process. At the same time, cities and counties are not always able to adequately represent the potentially deal-breaking concerns of communities to developers.

Through the CBA process, community members are able to identify their needs and to negotiate directly with developers

and city officials. Additionally, the CBA model provides community members with the structure and confidence that a developer will truly address community concerns. Negotiations encourage community members and concerned organizations to come to consensus on their shared priorities. *Real negotiations, real deadlines, and the assurance of real results encourage community members and organizations to identify common interests.* If community stakeholders can collectively determine their bottom lines and their greatest needs, they become more effective partners in the development process.



- *CBAs help reduce the risk of conflict and opposition—a dead-end scenario in which all stakeholders lose out.* In the traditional development process, developers present their project proposals to community groups at public hearings, when it is already too late for meaningful input or change. As a result, residents affected by large development projects may not have



the opportunity to express their priorities and needs to developers in meaningful or productive ways. This lack of effective community/developer communication increases the risk of eleventh-hour community demands, which can lead to costly setbacks or complete loss of investment for developers and project financiers.

Developers and real estate investors frequently complain that community opposition and political obstacles increase financial risk, thus stifling the creation of new housing, jobs, and neighborhood amenities. Delays in the approvals process, or failure to receive approvals, can be very costly to developers.

Negotiated agreements can improve the development process for all interested parties by providing opportunities for real negotiation and solid community buy-in prior to a project's public approvals process. Early negotiations decrease the risk of uncertainty by facilitating solid community backing for proposed developments.

TIPS FOR ENTERING INTO A CBA OR NEGOTIATED AGREEMENT

CBAs are based on a model in which community members themselves identify and prioritize community outcomes from development, negotiating directly with a developer to secure benefits from a project. Therefore, local governments cannot independently decide that a CBA should be negotiated, what should be promised, or with whom. Such proposals and priorities should come from the community, often through an organized community effort.

However, local governments have an important role to play in a CBA or other project-based negotiated agreement. The following are important aspects for local governments to consider when participating in negotiated agreements:

- *Form of the agreement.* Community benefits can be incorporated into the DA or into an agreement reached directly between the community coalition and the developer. A CBA directly between the community and the developer provides the community with the most leverage to assist the city in enforcing its provisions. The form of the agreement also determines who can enforce the agreement and what reports or mechanisms can be used to monitor the implementation of the codified benefits.
- *Signatories to the negotiated agreement.* On the most basic level, who signs the agreement is related to the form of the agreement. For example, a community group can be party only to a CBA or a cooperation agreement—not to a DA. However, within a CBA, the local jurisdiction should not make determinations about specific community

groups with whom a developer should negotiate. Rather, the city should encourage community groups to work together, and should encourage the developer to meet with all community groups.

- *Timing of the negotiations.* A key element of the CBA model is that community groups will support the development once the agreements are signed. Therefore, CBA negotiations should be concluded before the execution of a DA, to allow the developer to enjoy the full benefit of formalized community support while seeking government approval for the DA.

MONITORING AND ENFORCEMENT

Finalizing a CBA or negotiated agreement is only half the battle. Ensuring the implementation, compliance monitoring, and enforcement of the terms of the CBA are just as important as organizing the community, drafting the language, and negotiating the agreement itself. Even in the beginning stages of CBA campaigns, the following are crucial considerations to be made:

- *Legally enforceable language.* Agreements need to be written in a way that clearly establishes the parties responsible for the terms of the agreement who have legal standing to sue, the consequences of noncompliance, and the timeframes for procedures to occur. Vague or loose language diffuses the signatories' abilities to hold other parties accountable.

Negotiated agreements can improve the development process by providing real negotiation and solid buy-in prior to approval.

- *Reporting requirements.* Agreements should also include reporting requirements to ensure the full implementation of the CBA's terms. This enables signatories and stakeholders to track progress, identify problems, and hold signatories accountable to their stated responsibilities and promises.
- *Community advisory board or committee.* Some efforts include an appointed or elected community advisory board to oversee implementation and enforcement. While these boards can be time- and resource-intensive, they are one way to ensure that community stakeholders continue to be involved in ensuring that the agreed-upon benefits come to fruition.

CASE STUDIES OF PROJECT-BASED NEGOTIATED AGREEMENTS AND CBAS IN THE BAY AREA

THIS SECTION CONTAINS CASE STUDIES from eight major development projects in the Bay Area, showing successful community benefits won in both new economic development projects and expansions of existing projects. Our focus is on the benefits and mitigations negotiated among local governments, developers, and community organizations.

Each of these projects has a unique balance of costs and benefits for the local community, the developer, and the region. These examples serve as valuable benchmarks and precedents, both for achieving a balance among stakeholder needs and for ensuring positive equity outcomes of development. They contain best practices that should be replicated and exemplify the type of compromise agreements that should be expanded for future CBAs in the Bay Area. Given the varying political contexts and situations under which each agreement was negotiated, the following case studies tell unique stories that we hope provide inspiration and serve as a starting point for what can be accomplished.

The types of projects represented here range from residential to biotechnology research and production facilities to big-box retail and beyond. While several examples of community benefit projects are well known across California and nationally, we focus on regional “home-grown” agreements and campaigns that have been successful here in the Bay Area.

In many cases, the existence of community standards policies were a vital component of establishing the project-based negotiated agreements. Policies such as first source hiring, jobs-housing linkage fees, and transportation impact fees served as baselines for the benefits that developers committed to deliver in the following project-based examples. By incorporating the terms of these policies into negotiated agreements, local governments improved the likelihood that the standards would be met or even exceeded by individual development projects.

COMMERCIAL AND OFFICE PROJECTS

The sheer scale of commercial and office projects—by square feet and number of workers—has meant that both local and regional impacts are prominent among the community benefits won from such projects. The case studies below highlight the job benefits provided, as well as funds for neighborhood enhancements such as arts programs, street improvements, and community programs.

CASE STUDY #1:

Bayer Biotechnology Headquarters

Pharmaceutical research and manufacturing facility—Berkeley
“Best Job Training Seed Program in a Hard-to-Access Industry”

AFTER MORE THAN 100 community meetings, in 1992, Bayer agreed to provide more than \$12 million in community benefits in its 30-year development agreement with the City of Berkeley. Broad community participation and transparency led to an innovative agreement and a comprehensive range of benefits for the local community.



PROJECT HISTORY

The Bayer Biotechnology Headquarters project expanded Bayer’s existing production facility by more than 1 million square feet over a 30-year period. Full build-out on Bayer’s 30-acre West Berkeley site was expected to add 380 jobs to the existing 600 jobs at the facility. Since the development agreement was signed in 1992, Bayer has added 300,000 square feet to its facility and hired 350 new employees.

Bayer’s initial expansion plan raised a high level of community concern about the physical scale of the project, traffic impacts, and environmental risks associated with biotechnology research and manufacturing. The site is located in West Berkeley, a traditional manufacturing area with almost 7,000 residents. The development proposal coincided with the conclusion of a multi-year community planning process that established land use priorities for the area, which was undergoing a shift to retail and office uses as some manufacturers closed their doors or relocated. The extensive public process resulted in a plan that balanced several

competing interests: residents' concerns about new development impacts and longstanding environmental health and safety problems; the local and regional need for affordable housing and community services; and the importance of retaining and fostering high-paying manufacturing jobs.

The extensive West Berkeley community planning process created a clear set of community priorities and a high level of participation, improving the community's ability to advocate and negotiate effectively with Bayer.

Bayer had significant interest in winning community support and obtaining the 30-year agreement with the City of Berkeley. Long-term facilities planning and multi-year land use approvals were an essential component of the eight- to 12-year research and development timeline for new pharmaceutical products. Bayer also wanted to remain in the Bay Area, where it would have access to a highly educated workforce and innovative academic institutions, making expansion of the existing facility in Berkeley preferable to relocation. Timing also played a role: According to many observers, Bayer was eager to obtain pre-approval for its 30-year expansion before the completion of the West Berkeley plan, which it feared might foster an anti-growth sentiment.

SUMMARY OF COMMUNITY BENEFITS

Over 100 community meetings were conducted over a one-year period, resulting in a DA that provided more than \$12 million in benefits and mitigations. The community benefits were as follows:

- \$1.4 million in startup costs for the Berkeley Biotechnology Education Training Program, implemented at Berkeley High School and local community colleges; an additional \$10,000 per year for 30 years to fund a summer work program for Training Program participants.²
- Over \$850,000 for child care, including subsidized affordable child care slots.
- A First Source Hiring Agreement for permanent and construction workers, including a \$500-per-worker contribution for startup expenses of construction workers hired through First Source.
- \$150,000 over three years to fund a grant writer position for local job training agencies.
- \$300,000 in improvements and water quality studies for the Berkeley Aquatic Park.
- \$1 million in funds for operations of the West Berkeley Community Programs Board. Bayer committed to pay \$30,000 to hire a consultant to assist in the Board's establishment.

Broad community participation and transparency led to an innovative agreement and a range of benefits for the local community.

- \$125,000 to fund outside research on alternatives to animal use as well as public oversight on animal care and use in Bayer research.
- An anti-apartheid policy, compliance with the Berkeley Human Rights Ordinance, and a commitment not to conduct weapons research.
- Public environmental safety oversight board and “risk communication program.”

BEST PRACTICE: JOB TRAINING INTERVENTION FOR HARD-TO-ENTER JOBS

The San Francisco Bay Area has one of the highest concentrations of biotechnology firms in California. However, nearly two-thirds (64%) of the fastest-growing occupations in the biotechnology sector require a bachelor’s degree or higher—making them inaccessible to a large proportion of low-income communities with a high school degree or less.

The success of the Bayer program has spawned other partnerships among biotech firms, community colleges, and workforce boards in the Bay Area.

Innovative efforts such as Berkeley Biotech Academy, which has expanded to include a program in Oakland, have shown that targeted local intervention can help open the doors to some students who might not otherwise consider biotechnology as a career. The success of the Bayer program has spawned other partnerships among biotech firms, community colleges, and local workforce investment boards in the Bay Area.

While the job advancement opportunities for those entering at the lowest rung in biotechnology are still unclear, working with existing firms on incremental job training and local hiring efforts to capture benefits for local low-income residents are promising—especially in a sector that is often written off as inaccessible to many who need work the most.

CASE STUDY #2:

Chiron Corporation

Corporate headquarters and research and development facilities—Emeryville
*“Best Community Benefits Won from a Research and Development/
Commercial Project with Regional Impacts”*

CHIRON’S 1995 DEVELOPMENT AGREEMENT with the City of Emeryville went beyond standard mitigations for local traffic and environmental impacts, addressing a wide range of community needs and regional concerns.



PROJECT HISTORY

The biotechnology firm Chiron began to plan for its global headquarters and a world-class research facility at its existing Emeryville location in the early 1990s. The project included 2.2 million square feet of laboratory and office space in twelve new buildings, on 24 acres of land. At full build-out, the facility would employ 4,600 people.

As a longtime Emeryville company, Chiron generally enjoyed strong community support. Nevertheless, the massive scale of the project raised a broad range of community concerns, from the height of the administrative building to traffic impacts, the elimination of some public parking, and the construction of buildings on the site of a planned park and city-designated open space. The cities of Berkeley and Oakland also expressed concern about the impact of the expanded facility on regional traffic and housing demand.

SUMMARY OF COMMUNITY BENEFITS

Chiron signed a DA with the City of Emeryville in 1995 that included, as a condition of the expansion, a range of mitigations and benefits responding to many community and regional concerns. In the document, the City agreed to provide Chiron property tax reimbursements worth up to \$95 million over 30 years. Chiron’s commitments to Emeryville and the wider East Bay community, which could total \$27 million over 30 years at full expansion, include:

- A senior center fee of \$20,000 per year for 27 years (\$540,000 total)
- Emeryville school fees of \$20,000 per year for 27 years
- Child center fees of \$20,000 per year for 27 years
- A mass transit fee of \$20,000 per year for 27 years

- Agreements with labor unions pledging to use union labor for construction and janitorial services
- A public art fee of \$1.2 million
- Capital programs, planning, and infrastructure fees of over \$5.1 million at full build-out
- A small business incentive fee of \$300,000
- Construction of a public park at \$1.3 million
- A municipal services fee of over \$17 million
- Neighborhood street improvements valued at \$25,000
- Lowered height of administrative building to 225 feet
- Payment to the cities of Berkeley and Oakland to settle claims made by the cities for mitigation of housing and traffic impacts caused by the project.

Chiron's 1995 development agreement went beyond standard local mitigations, and helped address the regional concerns of neighboring cities.

BEST PRACTICE: HIGH STANDARDS FOR COMMERCIAL DEVELOPMENT AND RESPONSE TO REGIONAL CONCERNS

As a research and commercial office project, the Chiron development set good standards for being a responsible corporate citizen. The benefits Chiron provided included not only support for mass transit and lowering its building heights, but also for municipal parks, public art, and agreements to use family-supporting union labor for the construction and janitorial services for the development.

Additionally, Chiron's 1995 development agreement with the City of Emeryville went beyond standard local mitigations, and helped to address the regional concerns of neighboring cities Berkeley and Oakland. Chiron modified the physical design of the project, addressed local and regional fiscal concerns, and provided funds for community programs.

RETAIL PROJECTS

The existence of Proposition 13, which limits the annual increase in property tax revenue for local government entities, has meant many cities and counties must rely on sales tax revenue to support local services provided by their General Fund. In this environment, retail projects have been a driving force of many economic development plans. The case studies below highlight efforts to ensure that such retail projects generate broader public benefits such as jobs for neighborhood residents as well as mitigations of negative impacts on the surrounding community.

CASE STUDY #3:

Westfield San Francisco Centre (Bloomingdale's Project)

Mixed use project (retail, office, movie theater)—San Francisco
"Best Community Benefits Won from a Retail Project"

IN 2003, THE San Francisco Redevelopment Agency approved the Westfield Centre/Bloomingdale's Project, which was projected to provide nearly \$3 million in mitigations and community benefits and was planned to create family-supporting jobs for construction and janitorial workers. The project included detailed programs for hiring local residents, women, and minorities.



PROJECT HISTORY

The Westfield San Francisco Centre sought to integrate the historic Emporium department store site into the existing San Francisco Centre. The \$410 million, 1.5 million-square-foot project included a Bloomingdale's (in the renovated Emporium building); a nine-screen movie theater; approximately 330,000 square feet of retail space; and 235,000 square feet of office space.

Emporium Development, L.L.C., a partnership between Forest City Enterprises and Westfield, signed an Owner Participation/Disposition and Development Agreement (OP/DDA) with the San Francisco Redevelopment Agency in which it committed to provide \$4 million in public improvements and amenities and \$2 million in funds for community facilities and programs.

The partnership waived its right to accept a \$27 million subsidy that had been previously negotiated with the Agency.

SUMMARY OF COMMUNITY BENEFITS

The OP/DDA included the following community benefits:

- \$800,000 to San Francisco’s First Source Hiring program, to facilitate the project’s first source hiring commitment
- Commitments to hire local residents for construction and permanent jobs (including 50% resident hires, with first consideration going to South of Market residents), and to recruit and utilize minority/women-owned businesses during construction and in the final project⁴
- Agreements with unions to encourage the creation of family-supporting jobs in the construction of the project and the permanent janitorial staff
- \$2 million in funds to community facilities and programs, including construction of a Filipino Cultural Center and contributions to the South of Market Health Center and a community improvement fund
- \$115,000 transit impact fee
- \$66,000 open space fee
- \$23,000 child care fee
- Developer commitment to contribute a minimum of \$43.4 million in affordable housing funds through property tax set-asides over 30 years
- \$1.25 million to restore direct connections to the project site from the Powell Street BART and Muni Metro stations
- \$1.5 million contribution to parking facilities improvements
- \$250,000 for maintenance and improvements to Hallidie Plaza.

BEST PRACTICE: DOWNTOWN RETAIL PROJECT THAT MEETS A WIDE BREADTH OF COMMUNITY NEEDS

Much has been written about low-road or big-box retailers that drag down job quality, erode small business viability, and generally hurt neighborhood livability. In that context, the Bloomingdale project was unique in providing a wide range of community benefits—whether through existing community standards policies or as standalone commitments—such as raising wage standards for construction and service workers, hiring locally, committing to transit connections, and incorporating a community center sought by the surrounding neighborhood.

CASE STUDY #4:

IKEA

Furniture and home design store—East Palo Alto
“Best Local Hire Program for Permanent Jobs”

IKEA SIGNED A FIRST SOURCE agreement with the City of East Palo Alto, allowing the City and community members to measure the company’s success at hiring local residents. The first source agreement signed by the company and the City outlines the process by which local residents will be interviewed and considered for job openings first, before non-local residents.



PROJECT HISTORY

The 286,000-square-foot IKEA development was approved by East Palo Alto voters in March of 2002. The project, which the City Council referred to voters after deadlocking on the approval decision, caused significant controversy in the community. Many community members feared that the store would bring severe traffic congestion, a fear based in part on the traffic problems observed in Emeryville after the Bay Area’s first IKEA store opened in that city. Some community members also doubted that IKEA would benefit local job-seekers, having experienced disappointment with the job-creation and retention performance of a Home Depot store that had committed to hire locally.

The IKEA DA was put to voters and approved by a 143-vote margin after a campaign in which IKEA outspent opponents by more than a 20-to-1 ratio. The DA is notable for its provisions relating to local hiring and job training.

SUMMARY OF COMMUNITY BENEFITS

IKEA’s commitments include:

- Signed a first source agreement, as required by East Palo Alto’s First Source Policy.
- Contributed \$75,000 to the City’s First Source program. The funds were earmarked to be used for salary expenses related to First Source administration.
- Contributed \$100,000 to the City for pre-employment training and job retention programs, in part intended to facilitate hiring and job retention for residents hired by the company through the First Source program.
- Contributed \$100,000 to the City for the establishment of a Children and Families Fund, to be operated by the City or a designated nonprofit.

- Signed a \$300,000 contract with a local janitorial company in part due to City and community advocacy.

BEST PRACTICE: CITYWIDE POLICIES HELP SET COMMITMENTS TO HIRE LOCALLY

IKEA's concrete commitments to local hiring and job training are somewhat rare among large retail, or "big-box," developments. These commitments are partly a result of East Palo Alto's First Source Policy and the efforts of city staff to ensure the successful implementation of IKEA's first source agreement. East Palo Alto's programs and implementation efforts help to create transparency and accountability, allowing community members and city officials to evaluate IKEA's performance in bringing jobs to local residents. By comparison, it is difficult to evaluate the local job-creation performance of the IKEA's other Bay Area store, located in Emeryville. Because Emeryville lacks a first source or other local hiring program, it is difficult to hold the store responsible for its publicized commitment to local employment. In the case of East Palo Alto, community standards policies like first source and local hiring requirements contribute to a responsible partnership between the city and IKEA.

MIXED USE AND RESIDENTIAL PROJECTS

During the most recent housing boom, residential projects sprouted in a number of cities and unincorporated areas. Community benefits won from these residential and mixed use projects not only focused on housing affordability, but also addressed small business, neighborhood impacts, and the quality of the construction, retail, and service jobs created by the development project.

CASE STUDY #5:

CIM Downtown Mixed Use Project (Heart of the City Project)

Multi-unit housing development and retail—San Jose
"Best Ongoing City Commitment to Community Benefits"

THE CIM "HEART OF THE CITY" project, consisting of housing, retail, and parking, will contribute to the continuing revitalization of downtown San Jose. A coalition of organizations led by Working Partnerships USA and the AFL-CIO South Bay Labor Council negotiated with the City and CIM to win the inclusion of comprehensive community benefits in an agreement between the City and CIM.

PROJECT HISTORY

The developer, CIM, proposed a \$167 million mixed use project in downtown San Jose that would include 132 units of rental housing; 377 for-sale condominiums; 117,000 square feet of retail; and 845 parking spaces when complete. The City agreed to provide \$47 million in assistance to the project, including \$11 million for the acquisition and clean-up of land for the development.

A coalition of community organizations, led by Working Partnerships USA and the AFL-CIO South Bay Labor Council, lobbied the City and CIM, eventually winning a comprehensive package of community benefits for the project. While some of the benefits provisions were finalized by the time of the adoption of the DDA in December 2002, through the coalition's efforts, the City adopted a memorandum directing the City and the developer to continue negotiations with the coalition to resolve outstanding issues. The final community benefits agreements were amended to the original DDA in April 2003.



Photo from San Jose Redevelopment Agency Monthly Report: <http://www.sjredevelopment.com/-monthlyReports/pm.pdf>

SUMMARY OF COMMUNITY BENEFITS

The community benefits provided by the amended DDA include:

- Deeper affordability levels for proposed affordable units; increased number of for-sale affordable units
- Reservation of 3,000 square feet of discounted retail space for child care providers for six months
- \$50,000 to fund outreach and marketing efforts to encourage small, local retailers to locate at the project, and reservation of 6,000 square feet of retail space for these retailers for nine months
- Commitment to require payment of the City's living wage to employees of a grocery store or hotel, should such retail tenants locate in the project
- Payment of the City's living wage to parking garage attendants working in publicly owned parking facilities within the project
- Requirements for timely parking mitigations during construction, to protect small business in the downtown
- A Project Labor Agreement ensuring union construction for the project.

BEST PRACTICE: BUILDING POLITICAL WILL TO FINALIZE AN AGREEMENT

The community benefits listed above were achieved through five months of coalition building, research, advocacy, and negotiation. The coalition's benefit provisions were approved in two steps. First, the City Council approved the DDA with a memo from councilmembers that outlined additional benefits, including living wages, affordable housing, and benefits for small businesses, to be incorporated into the final project. The memo directed city staff to continue working with the developer and coalition to complete these provisions. In the second step, the Council approved the first amendment of the DDA, outlining the living wage provision, options for small businesses, and child care operators.

The CIM agreement and amendment illustrate the positive outcomes that can be attained when a local government commits to an inclusive development process.

CASE STUDY #6:

Uptown Project

Multi-unit housing development and retail—Oakland
“Best Community Benefits Won from a Residential Project”

The Uptown Project, a 770-unit housing and retail development, will include 210 affordable units; 57 of the affordable units will have three or four bedrooms. Through negotiation, the community and the developer were able to increase the number of affordable units to be built and ensure that units suitable for families were included in the pool of affordable units.



PROJECT HISTORY

Forest City Enterprises is currently constructing 700 housing units as part of a mixed use project on an underutilized site in downtown Oakland. A 70-unit affordable housing develop-

ment will be constructed on a nearby city-owned parcel in conjunction with the larger project. The Uptown project includes a 14,500-square-foot retail component and a 25,000-square-foot park. The City will provide the developer a subsidy of \$61 million in land, cash, and other improvements over a period of 16 years.

Uptown’s creative solutions were the result of good-faith negotiations by all parties.

The Coalition for Workforce Housing, led by the East Bay Housing Organizations and including other concerned housing and labor groups, worked for three years to ensure adequate affordable housing in the project. As a result of this effort, the City signed a cooperation agreement with the Coalition (which was attached to the DA) in which the City commits to ensure that the development provides the affordable housing benefits listed in the following section.

SUMMARY OF COMMUNITY BENEFITS

The cooperation agreement includes the following benefits:

- Of the 700 housing units to be built on the primary Uptown project site, 140 will be affordable to people making 50% of the Area Median Income (AMI).
- Seven of the 140 affordable units on the primary site will be three-bedroom units.
- Thirty-five of the 700 units will be affordable to people earning 120% of AMI.
- Of the 70 affordable units to be built on a nearby site, all 70 will be affordable to people making between 20% and 60% of AMI.
- Fifty of the units in the 70-unit project will be three or four bedrooms.

BEST PRACTICE: DEPTH OF HOUSING AFFORDABILITY, AND ADOPTING THE COOPERATION AGREEMENT MODEL

The cooperation agreement represents a creative compromise between community demands for affordable family housing in a historically low-income neighborhood and developer concerns about the financial viability of the project. The separate 70-unit affordable housing development was not contemplated in the developer’s initial plans but is now an important component of the project that provides family-sized homes. Hence, the creative solutions were the result of good-faith negotiations among the community coalition, the city, and the developer.

Oak to 9th Mixed Use Development Project

Mixed use residential and retail—Oakland
*“Best Community Benefits Won from Multiple
Negotiated Agreements with Grassroots Coalition”*

THE OAK TO 9TH PROJECT, one of the largest development projects planned for Oakland since World War II, was proposed for a 64-acre site along Oakland’s waterfront. The developer’s plans included 3,100 units of market rate housing, up to 200,000 square feet for retail space, and 29 acres of park space. The project was proposed during the height of a boom of market rate housing development as the City was approving thousands of housing units towards the goal of moving 10,000 new residents into downtown Oakland—without any inclusionary zoning policies in place to simultaneously produce affordable housing units. The land for the project was originally owned by the Port of Oakland, with the final sale contingent on planning approvals from the City.

**PROJECT HISTORY**

In late 2003, a group of intermediary and community-based organizations in Oakland—Urban Strategies Council, Asian Pacific Environmental Network, East Bay Asian Youth Center, and St. Anthony’s Catholic Church branch of Oakland Community Organizations—came together to find new ways to create affordable housing and jobs accessible for low-income families. The East Bay Alliance for a Sustainable Economy was brought in to provide technical assistance and support on-the-job training and local hire agreements.

Over the course of the next three years, the grassroots core of the coalition—a mix of immigrant Asian and Latino communities coalescing with White and African American residents, faith leaders and congregations, and workers—organized to win a set of community benefits from the Oak to 9th development project in July of 2006. As this report goes to print, the Oak to 9th project is undergoing additional environmental review after project opponents sued over the Environmental Impact Report (EIR).

SUMMARY OF COMMUNITY BENEFITS

In negotiations, the coalition focused on securing both affordable housing and local hire commitments.

- The cooperation agreement approved in July of 2006 by the City Council—along with the DA—builds in the legal and financial incentive to ensure the affordable housing and quality jobs commitments are fulfilled.
 - At least 465 out of the 3,100 units will be affordable to families earning \$50,000 or less.
 - At least half (232) of the affordable units will be family-sized units: 93 units will be two-bedroom units, and 139 will be three-bedroom units.
 - The developer will contribute approximately \$7.5 million towards affordable housing.
 - The City will conduct annual public hearings and report on the money available to build affordable housing, and will receive consent from the coalition before moving any of the affordable housing units offsite into the surrounding neighborhood.
- The local hire and job training processes are targeted to achieve 300 jobs for Oakland residents, representing approximately 30% of all apprentice hours anticipated at the Oak to 9th development. These jobs will be filled by Oakland residents just starting their construction careers (that is, starting their apprentice hours in construction).
 - \$1.65 million will go to construction training programs to address the specific workforce barriers faced by immigrants and former prisoners re-entering the workforce.
 - Of this funding, \$900,000 will be specifically designated to serve residents in the neighborhoods most directly impacted by the Oak to 9th development.
 - Quarterly certified payroll will be submitted to the City to track compliance.
 - The Oak to 9th campaign coalition also secured a separate jobs agreement with the developer that details how the local hire program and enforcement will work.
- In addition, while not part of the coalition's main demands, the developer has agreed to provide over 32 acres of open space to be preserved as public park land.



BEST PRACTICE: MULTIPLE NEGOTIATED AGREEMENTS WITH GRASSROOTS COALITION PROVIDE SET OF COMMUNITY BENEFITS

The Oak to 9th community coalition prioritized two main benefits from the Oak to 9th project: affordable housing and job training/local hire. For the local hiring and jobs agreement, the coalition negotiated directly with the developer to come to an agreement on the goals, process, funding, and enforcement mechanisms to help new apprentices get into

family-sustaining careers in the construction trades. The training and local hire goal was specifically targeted at those for whom English is a second language and those who were formerly incarcerated. This agreement, initially negotiated as an attachment to the DA, is currently being negotiated in greater detail with the developer directly.

The training and local hire goal was specifically targeted at those for whom English is a second language and those who were formerly incarcerated.

Because of the amount of subsidy required to build units affordable to very low income households—an income level prioritized by the coalition—the coalition knew it would need to negotiate an affordable housing agreement directly with the City. The City had the ability to hold the developer accountable to the amount of affordable housing generated on-site. Therefore, the final affordable housing proposal was incorporated into a cooperation agreement between the City and the community coalition, which was then attached to the DA. This allowed the community to hold the City to its promises to provide affordable housing on the Oak to 9th site.

CASE STUDY #8:

One Rincon Hill Residential Towers Project

Multi-unit residential—San Francisco

“Best Community-Board Accountability of Community Benefits Funding”

WITH OVER 800 condos and town homes, including two high-rise towers reaching over 40 stories, the One Rincon Hill condominium project located adjacent to the Bay Bridge will be the tallest residential tower in San Francisco.

The market-rate Rincon Hill condominiums were anticipated to sell for up to \$2 million per unit—a price far out of the reach for the vast majority of existing neighborhood residents. With the cumulative impact of several other high-rise condo projects planned for the South of Market (SoMa) neighborhood, community concern over the impacts of new residential development reached a critical point during the debate about the Rincon Hill development.

PROJECT HISTORY

The sheer scale of the Rincon Hill project caused concern, as community leaders worried that new condominium developments would exacerbate skyrocketing housing costs and ultimately displace middle- to low-income families in the SoMa neighborhood—a working-class neighborhood of Filipino and Mexican Americans. The huge development also threatened small businesses and mom-and-pop stores, especially those serving the Filipino community in the neighborhood.

Out of this concern regarding residential and small business displacement, organizers and community members with the South of Market Community Coalition and the South of Market Community Action Network (SOMCAN) called on the developer to provide benefits to the community that exceeded the minimum requirements set by the City for development impact fees. The existing impact fees were \$10 per square foot for construction mitigation. These fees are typically set aside to rebuild roads and sidewalks and improve the surrounding infrastructure altered or damaged during construction.

Since the developers were seeking major land use zoning changes and the project approvals were based on the discretion of the San Francisco Board of Supervisors, community and coalition members used that leverage to ask the developers to provide concrete “public benefits” for the existing residents and businesses. According to Fernando Marti, who provided technical assistance to SOMCAN through Asian Neighborhood Design’s Community Planning Program, the negotiated resolution made sense because “(the developer) got two times the (allowable) number of floors from the city, and that equals two times the profit, so they have a lot more to give.”

SUMMARY OF COMMUNITY BENEFITS

Following a number of protests and public meetings packed with community and coalition members, San Francisco Supervisor Chris Daly negotiated a settlement between the community and the developer in which:

- Urban West Associates would pay a mitigation fee of \$25 per square foot.
- \$14 per square foot of the fee goes into a Community Stabilization Fund for the SoMa neighborhood. This fund provides support to affordable housing projects, tenant services, small business support and investment, and other community services.



- \$11 per square foot of the fee is designated for neighborhood infrastructural improvements such as road maintenance and park improvements in the city's Downtown Residential Districts (DTRs).
- The Board of Supervisors would appoint a seven-member Fund Committee, including a representative from each of the following categories:
 - a member of a low-income family who lives with his or her family in SoMa
 - a person who has expertise in employment development or represents labor
 - a senior or disabled resident of SoMa
 - a person with affordable housing expertise and familiarity with the SoMa neighborhood
 - a person who represents a community-based organization in SoMa
 - a direct service provider to SoMa families
 - a person with small business experience and familiarity with the SoMa neighborhood.

BEST PRACTICE: COMMUNITY ACCOUNTABILITY THROUGH STABILIZATION FUND AND BOARD

The Community Stabilization Fund is expected to generate approximately \$5-11 million from the One Rincon Hill project, and \$25-30 million from the other condominium projects in the area. The success of the fund from the Rincon Hill project shows the potential for a large-scale development to provide concrete benefits that mitigate negative community impacts, displacement, and gentrification. In a 2005 San Francisco Chronicle news article, City Supervisor Chris Daly said the Rincon Hill agreement set an important precedent by establishing “a groundbreaking tool to help the community stop displacement and increase employment and housing opportunities.”



CHAPTER 2

Process Reform: Tools for Evaluating Impacts and Involving Communities in the Decision-making Process

REFORMING THE DEVELOPMENT and approvals process helps create more responsible development by changing the “rules of the game” by which development is conducted. This report highlights two ways that process reform can create greater responsible development: 1) by providing greater information on the range of impacts of a development through community impact reports, or 2) by using the process of developer selection (through Requests for Qualifications (RFQs) and Requests for Proposals (RFPs)) to establish standards for what is expected out of the development process.

Currently, opportunity for community involvement in the development process is structured in such a way that is largely “too little, too late.” Information about develop-

ment is posted only a few days ahead of time and may not be complete. Community members have only one to two minutes to share their perspectives on projects at public hearings. By the time the community members raise serious concerns or mitigations, it is often deemed too late to incorporate into the project.

To address gaps in how development decisions are made, reform of the development and approvals process ensures that:

- detailed information about a development is presented to the community and decision-makers ahead of time
- expectations for specific projects are clear and established early on
- communities are authentically involved in creating better projects.

Such process reform can be accomplished by establishing new public information and participation procedures for cities and local jurisdictions to follow, and by setting standards for projects where the city or local jurisdiction is playing an active role in choosing a developer and facilitating the development process.

Knowing the public cost and what local governments are putting into and getting out of a development project is an important step in maximizing benefits from a project.

For example, in San Leandro, a recent development plan for the downtown Transit-Oriented Development specified a public process that included meetings with key stakeholders and guidelines for determining community priorities and needs. This process change occurred only after community organizations, led by Urban Habitat and Congregations Organizing for Renewal, pushed for such changes.

COMMUNITY IMPACT REPORTS

One way to change the process of development is through implementing community impact reports (CIRs), which involves assessing a development's potential impacts

on a community. In addition to the existing process of evaluating environmental impacts, cities and counties must assess the social and economic impacts of a development project. Cities and counties have begun using CIRs to ensure information is gathered on a range of social and economic impacts, using credible methodology and consistent reporting.

Conducted before formal approvals begin, a CIR is a required evaluation of the social and economic impacts of a new development project. A complete CIR provides an analysis of existing community conditions, as well as projected conditions after a project is built. Third-party consultants complete CIRs at the developer's cost, and the reports are made available to city staff, elected decision-makers, and community members.

CIRs usually apply to projects that receive city subsidies, require significant land use policy changes, or are above a certain space or size threshold. These reports help ensure that local governments and the public have an assessment of the conditions the project will impact, especially if city resources are being spent on the project.

Generally, CIRs evaluate five main areas of impacts: housing, employment, fiscal performance, environment, and community services. Such assessments provide standardized, reliable analysis that both decision-makers and the public can use to evaluate the merits of a project. The cost of a CIR ultimately depends on what is within the scope of the study, and can range from a few thousand dollars to tens of thousands of dollars.

Local government subsidies and public land are scarce resources, and as such, the opportunity cost of investing in one develop-

ment over another is a key consideration. CIRs allow decision-makers to compare projected outcomes from one project to another. *Knowing the public cost and what local governments are putting into and getting out of a development project is an important step in maximizing benefits from a project.*

Stakeholders on many sides of the project benefit from a systematic evaluation of a project and its potential community benefits:

- *Community members* benefit from increased transparency in the evaluation of a proposed development.
- *Developers* benefit from the assurance that project benefits will be represented fairly and consistently across projects.
- *Decision-makers* benefit from consistent and reliable analyses with which to make more informed decisions.

Thus, across the board, CIRs help stakeholders compare the costs and benefits between two or more projects, as well as aiding in the assessment of how changes to a project may improve outcomes.

CIRs can be tailored to a community's particular needs and required for particular types of development. For example, the Alameda County Superstore Ordinance, described in the case studies, requires CIRs only for retail proposals of 100,000 square feet or more that include grocery stores. As this report goes to print, the City of Petaluma is considering a CIR for large-scale residential and retail development. While most CIR policies focus on the areas of housing, employment, fiscal performance, environment, and community services, cities can also tailor their studies to the impacts that are most important in their communities.



We recommend that CIRs include the following targeted information categories:

- *Existing conditions:* Current demographics of the area around the project site and historic trends.
- *Housing:* Existing housing stock, including market-rate and affordable; overcrowding; displacement; number, size, and price of units to be created.
- *Employment and business impacts:* Current economic situations of residents and small businesses, including the number, type, and wage level of current and projected construction and operating jobs; existing training programs to prepare residents to enter into new jobs; and effects on small businesses.
- *Fiscal:* Current financial health of a city and county and the expected return on development investments, including direct and indirect subsidies, opportunity costs of subsidies, and projected revenue versus service costs.
- *Community services and retail needs:* Adequacy of existing community services (such as child care and health clinics) and

places to shop, potential impacts on existing services and retail, and proposal's ability to increase access to services.

- *Environmental health, smart growth, and sustainability*: Proposal's effect on overall environmental conditions, including indoor health standards, environmental affect on historically disadvantaged groups, and inclusion of public transit and green building.

For each category, the CIR should assess both the existing conditions and projected conditions under the development proposal. For a detailed list of sample questions, please see Appendix C.

Data Sources for Community Impact Reports

Some useful resources for collecting information about existing or projected conditions

include the following:

- US Census Bureau
- Association of Bay Area Governments (including population and workforce projections)
- California Employment Development Department
- Retail market consultants
- Housing Element of the General Plan
- Neighborhood Knowledge California (NKCA)
- Staff of planning, community development, and economic development departments at the city and county level.

Below are two examples of CIRs: one for big-box retail "superstores" through a conditional use permitting process, and the other for large-scale projects receiving city subsidies.

CASE STUDY #9:

Alameda County Big-Box Retail Analysis "Shines a Light" on New Projects

IN APRIL 2006, the Alameda County Board of Supervisors approved an ordinance mandating that large-scale retail "superstores" obtain a conditional use permit in specifically zoned areas that requires an analysis of projected economic impacts of the superstore on traffic circulation, land use patterns, and the social and economic health of the community. Led by Supervisor Alice Lai-Bitker, this policy for dictating economic impact analyses mirrored similar policies passed in Los Angeles.

The ordinance required an Economic Impact Analysis of the proposed superstore's impacts in the market area.

The Board of Supervisors defined superstores as retail establishments exceeding 100,000 square feet and devoting more than 10% of their sales floor area to non-taxable “groceries” and merchandise—exempting wholesale clubs that sell bulk merchandise and charge a fee. The ordinance required an Economic Impact Analysis of the proposed superstore’s impacts in the market area on the following, during construction and/or operation:

- the *share of retail sales*, and the *supply and demand for retail space*
- the *net increase or decrease in retail employment*, as well as impacts on the *wages and benefits and income levels*
- *projected costs of public services and facilities*
- changes in retail operations, including *potential for blight from local store closures* and long-term vacancy in cases where the superstore closes
- the County’s ability to implement the *goals of their General Plan*
- average *total vehicle miles traveled* by retail customers.

The ordinance further required this analysis to be prepared by a consultant recommended by the Planning Director and paid for by the developer or applicant for the conditional use permit. The Economic Impact Analysis is then submitted to the Planning Director, who must make it available for public review 30 days before any public hearing on the conditional use permit.

The ordinance forbids the Board of Supervisors from approving the conditional use permit unless the project is proven to have no net adverse economic impact within the market area. In passing the policy, Sharon Cornu, Executive Secretary-Treasurer of the Alameda County Labor Council, called the Economic Impact Analysis a tool for supervisors to “shine a light” on impacts of large-scale retail superstores, such as Wal-Mart, on the surrounding economy and neighborhoods. After hearing testimony from representatives of Wal-Mart Stores, Inc. against the ordinance, the supervisors passed it 4-0, with one abstention.

CASE STUDY #10:

San Jose Cost-Benefit Analysis Provides Transparency and Accountability for Subsidized Projects

FOR THE LAST COUPLE of years, community leaders in San Jose have been moving forward with implementing a Cost-Benefit Analysis policy. This policy would require all projects receiving more than \$1 million in public subsidies to provide information on how the project will impact the fiscal, housing, and employment conditions in the surrounding neighborhoods and city.

The policy would require that certain projects provide information on how the project will impact the fiscal, housing, and employment conditions in the city.

In April 2007, the City Council took the first step toward implementing this policy by approving a pilot study that would apply to six projects over an 18-month period—the first of which is likely to be the proposed iStar stadium mixed use development project that will ultimately house the San Jose Earthquakes soccer team.

Also in 2007, the City's Sunshine Reform Task Force began discussing options for improving transparency on economic development projects and public involvement. The Sunshine Reform Task Force for the City of San Jose had been established in May 2006 as a community-based task force to advise the City Council on ways to “increase public access to information, enhance neighborhood participation, and ensure government accountability.”⁵ Members of the task force include neighborhood associations such as United Neighborhoods of Santa Clara County, the Strong Neighborhoods Initiative Project Area Committee, and the Falls Creek and Willow Glen Neighborhood Associations. Other Task Force members include business representatives from the San Jose/Silicon Valley Chamber of Commerce; a labor representative from the South Bay Labor Council; a media representative from the *San Jose Mercury News*; the League of Women Voters; and local government representatives from the Parks and Recreation commission.

In the fall of 2007, Working Partnerships USA introduced a Cost-Benefit Analysis to the Sunshine Reform Task Force, a policy for all subsidized projects over \$1 million. The Cost-Benefit Analysis would require the following information:

- *Accountability*: The specific actions of the City if the projected returns are lower than projected, and an after-approval report describing the extent to which the proposal is actually generating the outcomes predicted.

- *Net fiscal impact:* A calculation of tax revenues generated by the subsidy minus tax revenues lost.
- *Net job impact:* The number of jobs generated as a result of the project in each of the following salary categories: \$1-\$19,999; \$20,000-\$39,999; \$40,000-\$59,999; \$60,000-\$80,000; and over \$80,000, and whether the employer provides health insurance.
- *Housing impact:* (1) The number of housing units constructed or demolished as part of the project, categorized by level of affordability, and (2) an estimate of the number of Extremely Low Income (ELI) housing units that would be needed to house employees of the project.
- *Source of funds:* Information describing the source of funds and any restrictions on the use of funds.
- *Neighborhood impacts:* Information about the impact on neighborhoods, including data contained in Environmental Impact Reports (EIRs) and traffic studies, as well as impacts on other public infrastructure and services such as parks, community centers, and libraries.

The Cost-Benefit Analysis further mandates that staff reports and supporting documents must be posted 30 days in advance of public meetings and must include information on the six areas outlined above. The Sunshine Reform Task Force incorporated Working Partnerships USA's recommendations as part of the Phase 1 recommendations to the City Council. The Cost-Benefit Analysis will be voted on by the City Council as part of a larger set of Sunshine Task Force recommendations in January 2009. In the meantime, any project that receives more than \$1 million in public subsidies will be required to complete a Cost-Benefit Analysis.

STANDARDS IN REQUESTS FOR QUALIFICATIONS (RFQs) AND REQUESTS FOR PROPOSALS (RFPs)

When a City or other government agency owns land and is actively trying to attract a developer and facilitate its development, it will often release an RFQ or RFP to solicit developer proposals.⁶ This process occurs on public land (such as former military bases), on sites that have been taken by eminent domain, and on other sites where government agencies have direct ownership.

The RFQ/RFP process is an opportunity to set standards for a particular project very

early in the process. Developers clearly understand the community and city or county's expectations for benefits, and can decide whether they want to respond to the bid. This allows particular community benefits to become key criteria by which proposals are evaluated and chosen. Therefore, *instead of being at a competitive disadvantage in the bidding for the project, developers have an incentive to include community benefits in their proposals in order to score higher and secure a winning bid.*

More and more cities are providing direction in the RFQ/RFP process to support social equity and responsible development. In addi-

Instead of being at a competitive disadvantage, developers have an incentive to include community benefits in their proposals.

tion to the SMART case study described below, the City of Oakland included language supporting community benefits and labor standards in the RFQ for the Oakland Army

Base Gateway Redevelopment Area. Additionally, developers who submitted proposals for the Oakland project provided information on the number, type, and wages of jobs to be created on the site.

The RFQ/RFP works best as a tool for establishing community benefit standards when community organizations are actively involved in defining the standards. This is the case for all community benefits tools, because people working and living in the community have the best understanding of what is missing from a project and what is needed.

CASE STUDY #11:

Sonoma Marin Area Rapid Transit (SMART) Request for Proposals (RFP) Sets Front-end Expectations for Responsible Development

WITH OVER 100 for-sale condominiums and town homes, a significant workforce housing component, a Public Market Hall, parking, a restaurant, retail, and office space all surrounding a key transit railroad station hub, the proposed Railroad Square development has the potential to provide significant benefits to residents both locally and regionally. The site is owned by the Sonoma Marin Area Rapid Transit District and is situated in downtown Santa Rosa, near the station for the proposed SMART train.



Photo from <http://www.sonomamarintrain.org/>

Community groups under the Accountable Development Coalition (ADC), including Sonoma County Conservation Action, the Housing Advocacy Group, the Living Wage Coalition, New Economy/Working Solutions, and the North Bay Labor Council, convinced the City and the SMART board to prioritize the creation of family-sustaining jobs and affordable housing on

the Railroad Square site. Together, the ADC worked to establish standards for the project that would exceed the City's minimum requirements.

Two public entities, the City of Santa Rosa and the Sonoma Marin Area Rapid Transit (SMART) District Board, have land use approval over the Railroad Square property. In January of 2006, the SMART District issued an RFP for the development at Railroad Square in Santa Rosa. The Railroad Square RFP—one of the first of its kind in the region—set the community benefits standards that were used to select a proposal by requiring developers who bid on the project to show how they would meet the following criteria:

- *Green building and environmentally conscious design.* Developers are encouraged to build at the Silver or Gold level under Leadership in Energy and Environmental Design (LEED) standards.
- *Affordable housing.* The development must contain at least 125 units of housing, of which 15% will be affordable to low- and moderate-income households.
- *Local hire and labor standards for construction jobs.* Half (50%) of the workforce must be locally hired residents in the SMART district (Marin or Sonoma Counties), and contractors must use prevailing wage and apprenticeship programs.
- *Labor standards for permanent jobs.* Developers must follow responsible contracting standards that ensure contractors have not violated labor, environment, or other state and federal laws, and must provide a living wage for post-construction jobs of \$11.50 per hour with health care benefits and \$13.00 without benefits.

According to Ben Boyce, the Sonoma County Living Wage Coalition Coordinator, “Making clear what the community expects from its developers early on should make the process more predictable for the developer and the development more acceptable to the community.” At the end of the RFP process, four developers bid on the project, and one was chosen. As this publication goes to print, the SMART board is deliberating how to best ensure this project's success given current market conditions.



Photo from NEWS/Accountable Development Coalition staff



CHAPTER 3

Community Standards Policies: Proactive Efforts to Set Expectations for Responsible Development

COMMUNITY STANDARDS POLICIES are a key anchor for responsible development. By making a community's minimum expectations transparent to both developers and stakeholders, such policies reduce the need for stakeholders or local government officials to seek community benefits on a project-by-project basis. *Community standards policies are laws, regulations, and practices that help to ensure that development meets the community's basic social, economic, and environmental needs.* Examples of community standards policies include living wage ordinances; local hire requirements applied to commercial projects over 10,000 square feet; and inclusionary housing requirements applied to residential developments over a specific size.

Community standards policies bring greater predictability to the economic development process. For developers and community members, community standards policies have the advantage of communicating clear requirements before a project is proposed, allowing the developer to accurately project costs. Projects that meet certain criteria—such as square footage, number of units, number of jobs created, or revenues generated—are then held to a consistent application of community standards policies, which helps ensure a more level playing field for developers in the pursuit of development opportunities.

Organizations across the political spectrum recognize that the values that inspire community standards policies—sustain-

ability, fairness, and equity—contribute to a healthy and prosperous region. Regional business organizations such as the Silicon Valley Leadership Group and the Bay Area Council also voice support for community standards including good transportation, a safe and attractive environment, and affordably priced homes.⁷ These business organizations agree that standards are as important to business prosperity as they are to the well-being of communities.



Our inventory and accompanying maps in Appendix B present a snapshot of the Bay Area as we move toward regional standards on issues of jobs, housing, and smart growth and livability. With close to 200 policies in place, it is clear that compliance with community standards is becoming an everyday part of doing business in the region. Here, we have grouped the region’s standards policies into the following broad issue categories:

- *Workforce policies*, including Living Wage and Minimum Wage, First Source and Local Hiring, and Child Care Impact Fee
- *Housing policies*, including Inclusionary Housing and Jobs-Housing Linkage Fee

- *Smart growth and livability*, including Transportation Impact Fee and Regional Traffic Impact Fee, Urban Growth Boundaries, and Industrial Safety Policies.

In our inventory, we highlight three types of impact fees: jobs-housing linkage fees, child care impact fees, and transportation or traffic impact fees. Impact fees can also be established for a range of issues triggered by new development, such as schools or parks and open space. These development fees can be legally established for outcomes where a direct nexus or causal relationship to the project can be drawn. The scope of our inventory does not address the full range of important impact fees for new development projects, and instead focuses on the three that are the most commonly associated with achieving more responsible development.

WORKFORCE POLICIES

Workforce policies ensure that economic development creates living wage jobs, connects residents to family-supporting jobs, and meets the child care needs of working people.

Living Wage and Minimum Wage

Sixteen jurisdictions in the Bay Area have adopted living wage and minimum wage policies. Policymakers have adopted living wage policies to ensure that private employers benefiting from public resources—such as government contracts, subsidies, licensing agreements, or leases of public facilities—pay wages sufficient to keep their employees out of poverty.

Additionally, San Francisco has a city- and countywide minimum wage, Emeryville has an industry-based minimum wage for large hotels, and Berkeley has a geographically based minimum wage for businesses operating on the Marina.

The need for such policies comes from the failure of state and federally mandated minimum wages to keep pace with inflation, creating a situation where full-time workers earning the minimum wage often live in poverty.⁸ The wage level for living and local minimum wages is closer to the income needed to support an individual worker and family above poverty, given a region's cost of living. Living wages in the Bay Area vary from

\$10 per hour in Santa Clara County at the time of passage, to \$14.61 per hour in Fairfax.

Local Jurisdictions with Living Wage and Minimum Wage Policies

Berkeley	Richmond
Emeryville	San Anselmo
Hayward	San Francisco
Livermore	San Jose
Marin County	San Leandro
Oakland	Santa Clara County
Petaluma	Sebastopol
Port of Oakland	Sonoma (City)

CASE STUDY #12:

Port of Oakland Living Wage Generates Good Jobs from Regional Economic Engine

THE PORT OF OAKLAND provides a significant source of prosperity for East Bay residents. Businesses at the Port directly provide over 24,000 jobs and indirectly support another 20,000. The total revenue generated by the Port, including wages paid to workers and tax revenue, is about \$7 billion annually.⁹

In March 2002, Oakland voters passed Measure I, the Port living wage ordinance, covering all workers employed by certain companies receiving licenses, leases, and service contracts at the airport and seaport. By passing Measure I, Oaklanders recognized the Port's vital economic role to the region, and therefore its responsibility to pay a living wage.



The Port of Oakland living wage is a model policy regarding enforcement mechanisms and a strong worker retention policy to prevent displacement of workers when a subcontracted entity changes ownership.

The East Bay Alliance for a Sustainable Economy (EBASE) spearheaded the effort to pass Measure I, working with a broad coalition made up of labor unions, including the Alameda County Labor Council, Teamsters, International Longshore Workers Union (ILWU), Service Employees International Union (SEIU), and Hotel and Restaurant Employees Union (UNITE-HERE). Community groups such as ACORN, the East Bay Community Law Center, and Women’s Economic Agenda Project also played a vital role.

By passing Measure I, Oaklanders recognized the Port’s vital economic role to the region, and therefore its responsibility to pay a living wage.

Measure I passed by a large voter margin (78% of Oakland voters voted yes), and by the following November, the policy was clarified to cover all month-to-month leases (such as rental car companies at the Port)—a segment of leases that were initially left out of implementation of the Port’s living wage. In the measure’s first year, 413 employees received raises consistent with the living wage and another 691 were eligible for wage increases under the living wage.¹⁰

When one service company replaces another covered by the Port’s living wage, current workers cannot be terminated for at least 90 days after the change in companies. This section of the ordinance ensures worker retention and continuity of service.

In 2007, the Port living wage was \$10.39 per hour for workers with health benefits and \$11.95 per hour for workers without health benefits. Businesses covered are those with a license, lease, or service contract with the Port at or above \$50,000, and those with more than 20 employees spending more than 25% of their work time on Port-related work. Subcontractors and sublessees are also subject to the living wage. Businesses are required to demonstrate their compliance with the living wage through regular payroll reporting.

Local small businesses are exempt from the living wage. Other businesses who request a waiver must demonstrate economic hardship by submitting complete payroll information, and must show how a waiver will create training opportunities for employees to move into permanent living wage jobs. Furthermore, waiver requests must also demonstrate that a waiver will not replace or displace existing living wage jobs or lower the wages of current employees.

First Source and Local Hiring

Twelve local governments and agencies in the Bay Area have first source or other local hiring policies. First source and local hiring policies link local residents to employment opportunities created by public works projects, service contracts, business loans and leases, and development projects receiving public financial support or other government subsidies. *Local hiring programs are an important local government response to conditions of geographically concentrated poverty and unemployment*, and are an effort to ensure that economic development directly contributes to poverty reduction. These policies not only support individual families, but also ensure that the money earned by workers is reinvested into communities, commute times are reduced, and roads are less congested.

Local Jurisdictions with Local Hiring Policies

Alameda County	Hayward
Berkeley	Oakland
Brisbane	Port of Oakland
Contra Costa County	Richmond
Daly City	San Francisco
East Palo Alto	San Jose

First source policies either require that businesses hire a specified percentage of local residents or designate a process by which local residents are given priority access to interviews or job postings. Policies promoting first source hiring can apply to construction jobs generated by or permanent operating jobs with businesses located on the project.

CASE STUDY #13:

East Palo Alto Local Hire Program Surpasses Goals and Raises Employment Levels

SURROUNDED BY AFFLUENT communities, the City of East Palo Alto is a city struggling with lack of economic development and unemployment rates twice that of San Mateo County. In an effort to tackle this problem, the city implemented a First Source Hiring (FSH) and Local Business Enterprise Policy in 1996.¹¹ The success of the program lies in its staff commitment to achieving local hire outcomes, even as challenges exist to fully resourcing the program.

The City of East Palo Alto's FSH policy requires all Redevelopment or City projects receiving at least \$50,000 in subsidies to hire local workers from the city and use local businesses in the city. Construction and end user (mostly retail) businesses are required to hire at least 30%

East Palo Alto residents. End user businesses must interview only candidates referred through the City's FSH program for 10 days, or six weeks for retail establishments, thereby allowing residents a "first chance" at the job opening before the company considers hiring non-resident applicants.

The policy has been resoundingly successful. Marie McKenzie, the Redevelopment Agency Project Manager, notes: "Some stores and restaurants have committed to greater than 30% and often exceeded the 30% requirement; some even have as much as 80% (local employees)."

To encourage the success of the program, city staff works closely with business managers to ensure local residents get jobs and are retained on the payroll. The City linked with a local job training program and the County of San Mateo's Job Works job placement program to provide support services for residents. The Redevelopment Agency maintains a database with employment information of up to 1,800 residents seeking employment. Businesses outside the city, such as Virgin Airlines, the New United Motor Manufacturing Inc. (NUMMI) plant in Fremont, the Federal Aviation Administration, and other large hotel and grocery store chains have called East Palo Alto FSH seeking potential employees.

The success of the program—due in part to committed staff who provide the essential link among residents, businesses, and the City—has led to an FSH program that receives and places more applications than initially anticipated.

Despite the program's success, particularly in retail, the program and policy implementation still faces numerous challenges. The largest challenge is being under-resourced and understaffed, preventing the program from reaching its full potential. McKenzie is the only city staff person working on the program, and she can devote only about one-fifth of her time to the program. "We should have someone full-time," McKenzie says. With more resources and staff time, the program could provide additional training and workforce development—particularly for those who face extreme barriers to employment. Fully resourcing the program could also allow for conducting enhanced outreach and support to connect employers with qualified residents, which could further reduce unemployment and improve overall quality of life.



Photo from Marie McKenzie, First Source Hiring Program, City of East Palo Alto

Child Care Impact Fee

Twelve Bay Area cities and counties have child care impact “linkage” fees. Because new development brings new workers, the provision of child care is a key employment-related issue. The shortage of accessible, affordable child care is a significant obstacle to employment for low-income parents and represents a serious economic burden for low-income families.

The impact fee requires a certain amount paid per square feet of development to offset child care costs associated with the new development. The fees are often used to subsidize child care services for low-income residents or to support new child care facilities.¹² Just as transportation impact fees help to ensure that new developments improve—not worsen—congestion, child care impact fees increase the participation of low-income residents in the workforce and allow local governments to meet the increased demand for child care created by new development.

HOUSING POLICIES

Housing policies address the problems of insufficient affordable housing production and any jobs-housing imbalance. Communities throughout the Bay Area face a severe shortage of affordable housing. Many households spend too much of their monthly income on housing costs and have to make tough choices about paying for housing costs, health care, and other necessities. Additionally, when people cannot afford to live close to where they work, they are forced to make long commutes, spending less time with their families or in their communities.

Local Jurisdictions with Child Care Impact Fees

Berkeley	Martinez
Clayton	Milpitas
Concord	Oakley
Contra Costa County	San Francisco
Danville	San Ramon
Livermore	South San Francisco

Inclusionary Zoning/Housing

Sixty-six (66) cities and counties in the Bay Area have adopted inclusionary housing ordinances. Inclusionary housing ordinances (or inclusionary zoning (IZ) ordinances) require residential developers to make a percentage of newly built units affordable to households within specific income levels. Many inclusionary housing policies provide alternative methods of compliance: paying an “in lieu” fee to fund affordable housing elsewhere, building affordable units offsite, donating land for affordable housing, or partnering with nonprofit affordable housing developers.

Inclusionary housing ordinances are the most common community standards policy. This is due in part to the concerted effort of the Bay Area Inclusionary Housing Initiative, spearheaded by the NonProfit Housing Association of Northern California.¹³

The predominance of inclusionary housing policies is also due to the fact that such policies can be adapted to the specific needs of the community—much like many community standards policies. The two case

studies that follow show how Bay Area communities have been particularly creative in crafting policies that meet their local housing needs.

Like other community benefits tools, inclusionary housing is just one of many tools to build affordable housing as part of new development projects. Inclusionary housing alone will not build all the affordable housing our communities need, but it does allow private developers to help meet affordable housing needs.

Inclusionary zoning policies can be adapted to the specific needs of the community—much like many community standards policies.

Local Jurisdictions with Inclusionary Zoning/Housing Policies

Alameda	Fairfax	Napa	San Mateo County
Benicia	Fremont	Napa County	San Rafael
Berkeley	Gilroy	Novato	San Ramon
Brentwood	Half Moon Bay	Oakley	Santa Clara
Brisbane	Hayward	Palo Alto	Santa Rosa
Calistoga	Healdsburg	Petaluma	Sebastopol
Clayton	Hercules	Pittsburg	Sonoma (City)
Concord	Larkspur	Pleasant Hill	Sonoma (County)
Contra Costa County	Livermore	Pleasanton	South San Francisco
Corte Madera	Los Altos	Portola Valley	Sunnyvale
Cotati	Los Gatos	Richmond	Tiburon
Cupertino	Marin County	Rohnert Park	Union City
Daly City	Martinez	San Anselmo	Walnut Creek
Danville	Menlo Park	San Carlos	Windsor
Dublin	Mill Valley	San Francisco	Yountville
East Palo Alto	Morgan Hill	San Leandro	
Emeryville	Mountain View	San Mateo	

Dublin Achieves Housing Affordability Amidst New Growth

THE CITY OF DUBLIN is a suburban community with about 43,000 people. In 1996, Dublin passed an inclusionary housing policy to create more affordable housing for workers in the community. To craft the policy, Dublin's Mayor Janet Lockhart sat down with developers, housing advocates, and community members so that everyone could share their hopes and concerns.



The agreed-upon policy requires any developer building 20 units or more of housing to set aside 12.5% of the units to be affordable to a range of lower incomes. Specifically, of the 12.5%, 30% should be affordable to very low income, 20% to low-income, and 50% to moderate-income households.

The City allows developers flexible options to meet the requirements, including paying fees in lieu of the units, dedicating land somewhere else for affordable housing, and partnering with affordable housing developers. However, 7.5% of the total housing must be affordable at the site of the market rate development and cannot be substituted for using one of these flexible options. This ensures the housing is integrated with families with a mix of income levels.

Since this policy's adoption in 1996, Dublin has approved 814 inclusionary housing units to be built—14% of the total housing permits. Dublin is a model of inclusionary housing successfully working in a suburban jurisdiction to create a mix of housing types for a range of income levels.

CASE STUDY #15:

San Francisco Sets Expectation for Developers to Contribute to Affordable Urban Redevelopment

THE CITY AND COUNTY of San Francisco has adopted and strengthened its inclusionary housing ordinance multiple times over the last decade. While San Francisco is steeped in a severe housing crisis that affects many of its residents and workers, inclusionary housing is one tool the city uses to create more affordable housing. By continuing to strengthen its ordinance, San Francisco has found that it can require developers to contribute even more towards creating an equitable community.



When inclusionary housing was first passed in San Francisco in 1992, the requirement applied only to projects needing Conditional Use Permits. In 2002, San Francisco expanded the requirements to all residential developments of 10 units or more.

In 2006, after several successful years, San Francisco decided to expand the ordinance again. The updated ordinance requires all developments of five units or more to include affordable units. Developers can either set aside 15% of the units onsite as affordable or create the equivalent of 20% affordable units elsewhere by either paying fees or donating land.

Additionally, the new ordinance creates housing for families with lower income levels than the previous ordinance. This is done by defining the local income level requirements based on San Francisco's own Area Median Income, rather than using the San Francisco Metropolitan Statistical Area (MSA) Median Income. The MSA includes Marin and San Mateo Counties, therefore setting a higher income level than what San Franciscans were actually earning. The current ordinance requires that homes be affordable for families earning between \$64,000 and \$96,000 annually.

Since it was adopted, San Francisco's IZ policy has resulted in 634 affordable housing units, showing that inclusionary zoning does work in urban communities and can be created to meet the particular needs of an urban community.



structure, most development projects are required to pay some fees to address the impacts on local traffic. However, because project-level fees can vary by amount and can be allocated toward different priorities depending on the development project, city-wide and region-wide fees create more consistent expectations across multiple projects. This helps ensure adequate funding to mitigate increases in cumulative transportation demand. The collected fees are used either to improve transportation infrastructure at the regional level or to support alternative modes of transportation such as walking, bicycling, and public transportation.

For a citywide example, the City of Palo Alto has established a traffic impact fee that will fund alternative modes with a clear goal of spurring changes in modes of transportation. The City’s policy statement explains the principle: “Traditionally, measures to mitigate the impacts of vehicle trips have focused on roadway widening and intersection enhancements. The City...wishes to mitigate the impacts through an alternative strategy: reducing the number of vehicle trips through provision of effective alternatives.” The transit fee is expected to recover an estimated 7% of the costs associated with traffic mitigations from new development through the year 2025.¹⁵

Local Jurisdictions with Transportation Impact Fees

Alameda	Pittsburg
Alameda County	Pleasanton
Antioch	Redwood City
Benicia	San Francisco
Brentwood	San Leandro
Contra Costa County	San Ramon
Cotati	Santa Clara
Danville	Santa Rosa
Dublin	Sonoma County
Emeryville	South San Francisco
Fairfax	Sunnyvale
Fairfield	Tiburon
Larkspur	Vacaville
Livermore	Vallejo
Morgan Hill	Walnut Creek
Oakley	Windsor
Palo Alto	Yountville
Petaluma	

Local Government's Role in Transportation and New Development

Transportation policies are often governed regionally, so what can my city or county do about it?

Since bus and train transportation systems cross city and county boundaries, transportation as it relates to development projects can be addressed at the regional, county, and local levels. Regionally, a single agency, the Metropolitan Transportation Commission (MTC), coordinates transportation planning and funding for the Bay Area's nine counties. Elected officials from each county, along with representatives from all the major regional, state, and federal regulatory bodies, form the governing board of the MTC.¹⁶ *This regional governing structure for transportation is unique when compared to other community benefit-related policies, which are squarely under the jurisdiction of local municipalities.*

The MTC is the main conduit for federal, state, and regional transportation-related funding. Hence, the agency has unique powers to determine spending on infrastructure and operation, and can incentivize local municipalities to plan for more transit-friendly development. For example, in 2005, MTC began to tie funding for transit and transportation improvements to the establishment and implementation of specific transit-oriented development (TOD) plans—local area plans that help reduce reliance on cars while promoting public transit, bicycle use, and pedestrian walkways.

The special relationship among MTC, county transportation planning agencies, and local jurisdictions has several implications on city and local transportation policies. First, achieving responsible transportation and transit outcomes takes coordinated effort at various levels. Transportation policies overlap heavily with plans adopted for specific development areas, and are carried out or coordinated by city staff who liaise with the regional transportation body to improve transit outcomes for new development projects. Second, the structure of the MTC is such that cities are both subject to decisions of the MTC and able to influence those decisions from their position on the governing board of the MTC. Third, the iterative process among city, county, and regional decision-makers to coordinate on transportation issues can make it difficult to uphold comprehensive planning and public accountability.

Within this regional framework, cities and counties still have a key role to play to ensure maximum transportation-related benefits. There are three main ways cities and counties intersect with regional transit systems:

- *Transportation funding and allocation.* At the county level, local funding for transportation occurs through bond issuances and allocation of sales tax spending for transportation-related uses. For example, Measure J, passed by Contra Costa County voters in 1988, approved a half-cent transportation sales tax to help fund a number of capital projects

— Continued on Next Page —

and operational programs—\$14.5 million of which was allocated for low-income student bus passes in Western Contra Costa County.

- *Transit orientation and planning.* Cities and counties play a role in shifting residents away from a reliance on cars toward use of transit. This orientation shift occurs when local governments use transportation planning to developing a network of transit priority street and concentrate new development projects near transit corridors and downtowns.¹⁷ Local public entities can codify transportation policies in land use planning documents such as specific plans or train station-area plans. Transit-oriented development and station area plans can specifically help plan for high-density mixed use development along transit routes to reduce sprawl and commute times.
- *Street infrastructure and staffing.* Since cities and counties control streets and sidewalks, they can invest in better bus shelters and street design to accommodate pedestrians and bus riders. Some cities have established transportation liaisons to coordinate city efforts with counties and regional authorities.
- *Transit accessibility and affordability.* Cities and counties can work with regional transit authorities to issue bus passes for seniors, youth, low-income riders, and others, as well as make other improvements to improve transit accessibility, such as the extension of bus service hours and routes.

Local Jurisdictions with Urban Growth Boundaries¹⁹

Benicia	Milpitas
Brentwood	Morgan Hill
Clayton	Napa
Corte Madera	Novato
Cotati	Petaluma
Cupertino	Pleasanton
Danville	Rohnert Park
Dublin	San Jose
Fairfield	San Ramon
Gilroy	Santa Rosa
Half Moon Bay	Sebastopol
Hayward	Sonoma
Healdsburg	Vacaville
Livermore	Windsor

Urban Growth Boundary¹⁸

Twenty-eight Bay Area jurisdictions have urban growth boundaries, which limit sprawl development of suburban cities into the rural fringe, while simultaneously encouraging development in the downtown and other areas that have existing infrastructure, transportation services, and amenities. Urban growth boundaries are used to promote transit-oriented development, urban infill development, and high-density development that helps reduce commute times and fight sprawl, while also preserving the greenbelts, open space, and rural farmland outside of developed areas. To achieve social equity goals, urban growth boundaries should be coupled with affordable housing policies, transporta-

tion-related development, and high-density development.

Industrial Safety

Contra Costa County and the City of Richmond have adopted industrial safety ordinances, which require stringent analyses, public hearings, inspection processes, and prevention actions to reduce the amount of toxics and hazardous materials released from accidents at petroleum refineries and chemical plants. These policies help ensure that toxic facilities have the highest level of mitigations in place to protect residents in surrounding neighborhoods from harmful health effects in the case of industrial accidents, leaks, and emissions.

Local Jurisdictions with Industrial Safety Policies

Contra Costa County
Richmond

Cities and counties approve permits for industrial developments, but they also bear the costs of infrastructure provision, while local residents bear the costs in terms of health impacts. Therefore, in cases of industrial development, jurisdictions can use local land use powers to help ensure the health and safety of residents by instituting provisions into the conditions of approval that address health and safety concerns from industrial projects.

(Re-)Emerging Environmental Standards, Equity, and Sustainability Policies

In the course of conducting an inventory of community benefit policies in the Bay Area, our researchers came across several ongoing efforts by community stakeholders to shape other environmental standards for new development projects. Although we were unable to conduct a systematic analysis of local jurisdictions that have implemented such policies, we highlight a few here as brief examples of important initiatives for achieving environmental standards and sustainability.

Industrial Land and Community Standards

In planning for new development, many cities and local jurisdictions that once housed the manufacturing and industrial base of the Bay Area have converted industrial land to residential and commercial use. However, in doing so, cities and counties have increased the value of that land—sometimes two- to three-fold—without necessarily recapturing benefits

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for displaced workers, creating housing for low-income residents, or cleaning up land for the community's use. In response, many cities, such as San Jose and Berkeley, have designated employment districts for the retention of industrial land, while cities like Oakland and Richmond are currently re-evaluating their industrial land retention and conversion policies to ensure that the economic and employment base for residents is not eliminated.

The encroachment of housing in industrial areas and vice versa also makes the case for improved planning to separate incongruent land uses—such as situating heavy industrial facilities away from residential areas.

In order to create more balanced industrial land policies, community stakeholders and local jurisdictions in the Bay Area are focusing on preserving land and recapturing community benefit as a condition of conversion. The first step involves setting clear criteria for the preservation or conversion of industrial land to other uses. Next, preservation of industrial land for jobs-producing uses has focused on transition to green manufacturing and local hire for green-collar jobs. Finally, in cases of industrial land conversion, setting high thresholds for cleaning up contaminated land, as well as ensuring that affordable housing, impact fees, and other benefits return to the community, have become key conditions of conversion.

Green Building Standards and Energy Efficiency

Over the past few years, green building and energy efficiency requirements have emerged as a new frontier for community standards policies. Several jurisdictions, including Sunnyvale in the South Bay, have established minimum Leadership in Energy and Environmental Design (LEED) Green Building standards and other “Green Building Codes” that apply to new development.²⁰ Other cities have established requirements and provided incentives to retrofit public buildings to meet green standards. In order to maximize the opportunities to achieve equitable growth in these areas, local jurisdictions can ensure that new workers employed in the “green sector” are trained and hired locally, and that new development projects or retrofits of older developments help make energy costs more affordable for low-income families who would not otherwise benefit from this emerging sector.



CHAPTER 4

Planning for Community Benefits: Setting the Priorities for Responsible Development

PLANNING IS A KEY way to direct the course of growth and new development, as well as an opportunity to strategically capture the benefits of development for existing workers and residents. This report addresses three main ways that local jurisdictions in California have instituted planning for community benefits:

- through formal planning processes and documents called *General Plans*
- through *Specific Plans*, which focus on more geographically specific areas of focus for planning
- through adopted *comprehensive strategies* that work across agencies or departments to tackle complex problems and align policies, plans, and functions to meet the needs of the most disadvantaged workers and residents.

This section defines and provides examples of planning efforts that can be used to achieve more responsible development.

Land use planning and comprehensive strategies direct the course of development by prioritizing the allocation and use of public resources, by outlining the places to prioritize development, and by influencing what development should look like. *Local jurisdictions command public resources such as land, leases and contracts, workforce investments, services to attract businesses, and subsidies, and can utilize these resources strategically to promote broader economic prosperity.* Planning decisions that determine the type and character of development can encourage higher-density housing development or incubate green jobs and workforce training. These plans and strategies can both define community stan-

Planning processes allow jurisdictions to start early in engaging communities to set priorities before projects are proposed.

dards for development and create a framework for achieving community benefits.

Too often, the most bitter fights around development happen on a site-by-site basis. Because the “pie” of what one particular site can accomplish is narrowly defined, “winners” and “losers” inevitably result. In contrast, *broader planning processes allow jurisdictions to start early in engaging communities and stakeholders in setting priorities, deciding criteria, and proposing more proactive solutions even before specific projects are proposed.* Because of the broad nature of planning, achieving enforceable language to support responsible development can sometimes be challenging; nevertheless, responsible planning has the potential to significantly determine the course of new development projects coming down the line for the benefit of all stakeholders.

Responsible planning works hand in hand with policy standards and projects to achieve community benefit outcomes. Many of the goals in a General Plan cannot be achieved by the built environment or by land use planning alone. For example, a city may set the goal in a General Plan to reduce traffic congestion coming into a city. However, if a significant

proportion of the city’s workers come from out of town, even the best transportation plans and policies will not address the congestion. In these situations, local jurisdictions need to coordinate planning and policies across issues to address needs like local hire and affordable housing, with the goal of locating workers closer to job centers and ultimately reducing traffic congestion.

TYPES OF PLANNING PROCESSES AND OPPORTUNITIES FOR COMMUNITY BENEFITS

General Plans

General Plans are made of two main components: a map that lays out the land uses for various parcels and sections of the city or county, and a set of policies and practices to guide land use and development. In California, General Plans must include seven elements or sections: land use, housing, circulation and transit, open space, noise, conservation, and safety (seismic and wildfires). Several cities have adopted additional optional elements such as economic development, environment, growth management, health, and child care.²¹

Planning for responsible development helps cities decide how to use scarce resources to support different kinds of development. Land use “constitutions” codified in General Plans set the framework for physical development in a city or county over the course of 10 years or more. Therefore, these plans can determine the growth or concentration of different types of development, such as the location and density of housing, the

preservation and conversion of industrial land, the growth of retail and commercial districts, the development or preservation of waterfront land, the circulation of transportation around development and use of bike and pedestrian access points, and the growth and location of parks and open space.



Environmental Justice Policies and the Precautionary Principle in General Plans

Local jurisdictions have implemented planning and principles to address environmental justice, which is defined in the state planning law as “the fair treatment of all people of all races, cultures, and incomes with respect to the development, adoption, implementation, and enforcement of environmental laws, regulations, and policies.”^{22,23} These principles seek to correct planning efforts that typically place the burden of proof on communities to show that a development will cause environmental injustice, or a disproportionate, unhealthy, or inequitable impact on low-income communities of color.

Local jurisdictions such as Contra Costa County have endorsed the State of California’s Environmental Justice program and begun to revise their General Plans accordingly. The State General Plan Guidelines for Environmental Justice assist local jurisdictions by proposing ways local governments can reduce land use conflict and plan for equitable distribution. These include planning for residential development that avoids proximity to industrial facilities and promoting transit-oriented development along with new public and community facilities.²⁴ The Guidelines specifically encourage local jurisdictions to adopt an optional environmental justice element or to incorporate environmental justice policies into all of the mandatory elements of their General Plan.

The City and County of San Francisco has adopted the “precautionary principle,” a key environmental justice planning tool. Under the precautionary principle, the local jurisdiction takes a proactive approach in protecting neighborhood health and environment by not waiting to stop or regulate a potentially harmful activity until there is conclusive proof of harm. Instead, the burden of proof is placed on the proponent of the potentially harmful activity to mitigate effects on people and the environment. The city also commits to transparency in environmental risk assessment and the proactive pursuit of less harmful alternatives.

Bicycle Planning and Infrastructure in General Plans

Many communities in the Bay Area strongly encourage the use of bicycles. Some local jurisdictions have a bicycle plan as part of the circulation or transportation element of their General Plan, while others have separate master plans laying out the priorities and framework for supporting bicycle use. Jurisdictions can require developers of projects above certain size thresholds to provide secure bike parking and shower facilities to encourage bicycle commuting—making it easier to get to and from work and home. Cities like San Jose use a policy known as level-of-service (LOS) exemptions in the downtown area to preserve appropriately scaled streets and intersections for bicycle riders and pedestrians.



Photo from Greenbelt Alliance and Nina Robinson, nrphotography@gmail.com

Specific Plans

Specific plans are written for a defined geographic area where a city wants to promote more detailed guidance and financing for development projects. Usually, multiple developers will propose individual projects in the area covered by the specific plan. These plans can provide flexibility to

cities and developers to define land uses that are appropriate to an area, while also providing a set of planning policies and development standards for the area.

Community benefits can be included in Specific Plans by including language in the plan that addresses transportation access, employment quality, and affordable housing provisions. For example, many Bay Area cities and counties have specific plans and general plans that foster high-density and transit-oriented development (TOD)—key smart growth goals. These plans allow higher-density development in key geographic areas (such as around train stations and bus depots), reduce parking requirements for transit-oriented development, set design regulations to encourage higher densities, and encourage alternative modes of transportation.²⁵ (For more on transportation policy issues, please see the section on Community Standards Policies.)

*Comprehensive Strategic Plans
(such as Housing, Redevelopment, Economic
Development, and Workforce Development)*

Local jurisdictions in California have established comprehensive strategic plans on issues that involve cross-agency collaboration. The San Francisco Economic Development Strategy, initiated by voters in 2004, brought together workforce development, business services, and land use agencies in a unified planning process to set goals and priorities regarding business growth, job creation, and job training. The City of Oakland's 1997 strategy focused on connecting workforce opportunities with neighborhood economic development, and offered specific sectoral strategies to guide the city's growth.

Comprehensive plans can include a range of development-related issues that seek to coordinate city- and countywide strategies. From comprehensive housing strategies that bring together state and local financing to achieve levels of housing affordability set in the Housing Element of the General Plan, to Richmond's and Oakland's comprehensive strategies to curb crime and violence, comprehensive strategic plans help remove the silos between departments in order to tackle large and entrenched problems. These strategic plans can include defined goals and a set of action steps, identification of key government staff who will lead implementation, and evaluation of the plans' progress.

Strategic plans can include community benefits by addressing social equity in the guiding values and principles, articulating goals that address conditions faced by low-

Strategic plans can include
community benefits by
establishing equitable criteria
by which decisions are made.

income residents and workers, and establishing equitable criteria by which priorities and decisions are made.

ONGOING CASE STUDIES

Planning efforts across the Bay Area are ripe for community benefit inclusion. As this report goes to print, the cities of Richmond, San Jose, and Emeryville are undergoing General Plan updates that will ultimately determine the course of housing, industrial, commercial, and retail land uses. Community groups, labor unions, environmental groups, and others are seeking to incorporate clear timelines and implementation steps into the General Plan.

Ongoing Bay Area examples to mention in the realm of planning include the following:

- *The Richmond Equitable Development Initiative (REDI)* is a robust coalition of organizations focused on advocacy, research, and base-building. The coalition is committed to advancing policy, practice, and programs that provide quality jobs, affordable housing, public transit, and a clean and healthy environment in Richmond. Currently, REDI is working to incorporate equitable development language into the city's Land Use, Transportation, Housing, Economic Development, and Health General



Photo from Congregations Organizing for Renewal

Plan elements to ensure that future growth in the city benefits existing low- and moderate-income residents. REDI's coalition and campaign partners include ACORN, Asian Pacific Environmental Network, Communities for a Better Environment, Contra Costa Faith Works, East Bay Alliance for a Sustainable Economy (EBASE), Greater Richmond Interfaith Program (GRIP), and UC Berkeley Center for Community Innovation.

- *In southern Alameda County, the San Leandro Transit-Oriented Development (TOD) Project* has been a key focus of groups like Urban Habitat and Congregations Organizing for Renewal to incorporate affordable housing and quality jobs into the upcoming development around the San Leandro BART station. The Station Area Plan (SAP) for the BART included strong language

encouraging development of a mix of housing types that is affordable to seniors and to large families. The Exclusive Negotiating Agreement for a 12-acre site in the SAP included a commitment to hold a public planning process before the start of the development process involving community members and labor.

- *On issues of balanced development and smart growth, Greenbelt Alliance and local partners* have worked for five years to preserve open space and manage water and wastewater in the North Bay through specific language in the Sonoma County General Plan.

Unfortunately, many other promising planning initiatives fell outside the full scope of this report. While planning targeted at bicycle infrastructure and transit-oriented development has grown tremendously over the past couple of years and environmental justice planning processes have been tested and expanded, we were unable to comprehensively inventory these efforts. Additionally, there are promising and noticeable increases in efforts to tie in traditional smart growth principles with planning for social equity involving affordable housing, good jobs, and environmental justice. We look forward to learning from these planning processes and their ongoing community benefit outcomes.



CONCLUSION

THE COMMUNITY BENEFITS and responsible development framework represents a set of tools for communities to understand and intervene in the local economy. These efforts are the continuation of a community-based movement aimed at shaping market forces to return more of the benefits of economic growth and prosperity to those who have long been left out of the process. While campaigns to establish more responsible development are sometimes long, resource-intensive projects, these efforts should be understood as a launching point and inspiration for future policies and projects that raise standards and create more broadly shared prosperity. Responsible development that creates community benefits is just the beginning of what is possible when community stakeholders, local governments, and developers come to mutual agreement about what development should look like.

What can be achieved or won in the realm of responsible development depends largely

on two factors: the local conditions and particularities of each effort, and the community stakeholders and coalition members involved.

The authentic and empowered engagement of community residents in determining their own vision for development can create unparalleled opportunities for coalition-building and civic engagement.

First, we've observed how local conditions, such as existing standards policies, impact project-level outcomes. The local



market conditions also impact the amount and character of community benefits provided such as affordable housing, community centers, and living wage jobs. Local precedent set by previous efforts often serves as a baseline for development, as do similar efforts in comparable cities or counties. The particularities surrounding each effort—such as the type of development decision-makers prioritize, specific political cultures that prioritize comprehensive planning, or the regional niche of a city—can all ultimately influence the strength and breadth of outcomes from responsible development.

Second, who is involved from the community greatly shapes the benefits gained from responsible development. From neighborhood groups, environmentalists, and churches to labor unions and worker organizations, parents, and small businesses—the scope and scale of what is winnable from

community benefit campaigns is largely determined by who is able to leverage local conditions, organize their constituents, build consensus within a coalition, and work productively toward mutual agreement with the developer and local government officials.

For many who utilize community benefit tools and engage in responsible development campaigns, winning a particular CBA, policy, process, or plan is only half the battle. Post-passage enforcement and monitoring is often just as important as—if not more important than—the initial win. Without enforceable language, defined timelines and benchmarks, clear and consistent reporting requirements, and specific staff or agency accountability, the victories won on paper can be whittled away in the implementation phase—thus undermining the work of those who fought for and agreed to the stated community benefits.

The outcomes of responsible development often reach beyond the housing built, the jobs created, and the community services provided. The authentic and empowered engagement of community residents in determining their own vision for development can create unparalleled opportunities for relationship- and coalition-building, human capital investment, leadership development of grassroots members, and collective civic engagement that lasts beyond any specific development or campaign. Ultimately, many of those in the community who actively work to create community benefits go on to participate in other efforts to create healthier, more sustainable, equitable neighborhoods and workplaces. These combined efforts “Build a Better Bay Area” by setting higher expectations for growth and shared prosperity in the region.

APPENDIX A:

Inventory of Community Standards Policies in the Bay Area

	1) Workforce			2) Housing		3) Smart Growth and Livability		
	Living Wage	First Source and Local Hiring	Child Care Impact Fee	Inclusionary Housing Ordinance	Jobs-Housing Linkage Fee	Regional Traffic and Transportation Impact Fee	Urban Growth Boundary	Industrial Safety
Alameda				•	•	•		
Alameda County		•				•		
Antioch						•	•	
Benicia				•		•	•	
Berkeley	•	•	•	•	•			
Brentwood				•		•	•	
Brisbane		•		•				
Calistoga				•				
Clayton			•	•			•	
Concord			•	•				
Contra Costa County		•	•	•		•		•
Corte Madera				•	•		•	
Cotati				•	•	•	•	
Cupertino				•	•		•	
Daly City		•		•				
Danville			•	•		•	•	
Dublin				•		•	•	
East Palo Alto		•		•				
Emeryville	•			•		•		
Fairfax				•		•		
Fairfield						•	•	
Fremont				•				
Gilroy				•			•	
Half Moon Bay*				•			•	
Hayward	•	•		•				
Healdsburg				•			•	

	1) Workforce			2) Housing		3) Smart Growth and Livability		
	Living Wage	First Source and Local Hiring	Child Care Impact Fee	Inclusionary Housing Ordinance	Jobs-Housing Linkage Fee	Regional Traffic and Transportation Impact Fee	Urban Growth Boundary	Industrial Safety
Hercules*				•				
Larkspur				•		•		
Livermore	•		•	•	•	•	•	
Los Altos				•		•		
Los Gatos				•				
Marin County*	•			•	•			
Martinez			•	•				
Menlo Park*				•	•			
Mill Valley				•				
Milpitas			•				•	
Morgan Hill				•		•	•	
Mountain View				•	•			
Napa*				•	•		•	
Napa County				•	•			
Novato				•			•	
Oakland	•	•			•			
Oakley			•	•		•		
Palo Alto				•	•	•		
Petaluma	•			•	•	•	•	
Pittsburg				•		•	•	
Pleasant Hill*				•				
Pleasanton				•	•	•	•	
Port of Oakland	•	•						
Portola Valley				•				
Redwood City						•		
Richmond	•	•		•				•
Rohnert Park				•	•		•	
San Anselmo	•			•				
San Carlos				•				
San Francisco	•	•	•	•	•	•		
San Jose	•	•					•	
San Leandro	•			•		•		
San Mateo				•				

	1) Workforce			2) Housing		3) Smart Growth and Livability		
	Living Wage	First Source and Local Hiring	Child Care Impact Fee	Inclusionary Housing Ordinance	Jobs-Housing Linkage Fee	Regional Traffic and Transportation Impact Fee	Urban Growth Boundary	Industrial Safety
San Mateo County				•				
San Rafael				•	•			
San Ramon			•	•	•	•	•	
Santa Clara				•		•		
Santa Clara County	•							
Santa Rosa				•		•	•	
Saratoga								
Sebastopol	•			•	•		•	
Sonoma	•			•			•	
Sonoma County				•	•	•		
South San Francisco			•	•		•		
Sunnyvale				•	•	•		
Tiburon				•		•		
Union City				•				
Vacaville*						•	•	
Vallejo*						•		
Walnut Creek				•	•	•		
Windsor				•		•	•	
Yountville				•	•	•		

* These cities did not return calls or requests for updates as of March 2008, and therefore their information in this report reflects policies up to 2006 only.

Note: The inventory includes only cities and counties with identified community standards policies as of 2006. The following jurisdictions were not included: Albany, American Canyon, Atherton, Belmont, Belvedere, Burlingame, Campbell, Cloverdale, Colma, Dixon, El Cerrito, Foster City, Hillsborough, Lafayette, Los Altos Hills, Millbrae, Monte Sereno, Moraga, Newark, Orinda, Pacifica, Piedmont, Pinole, Rio Vista, Ross, San Bruno, San Pablo, Sausalito, Solano County, St. Helena, Suisun City, Woodside.

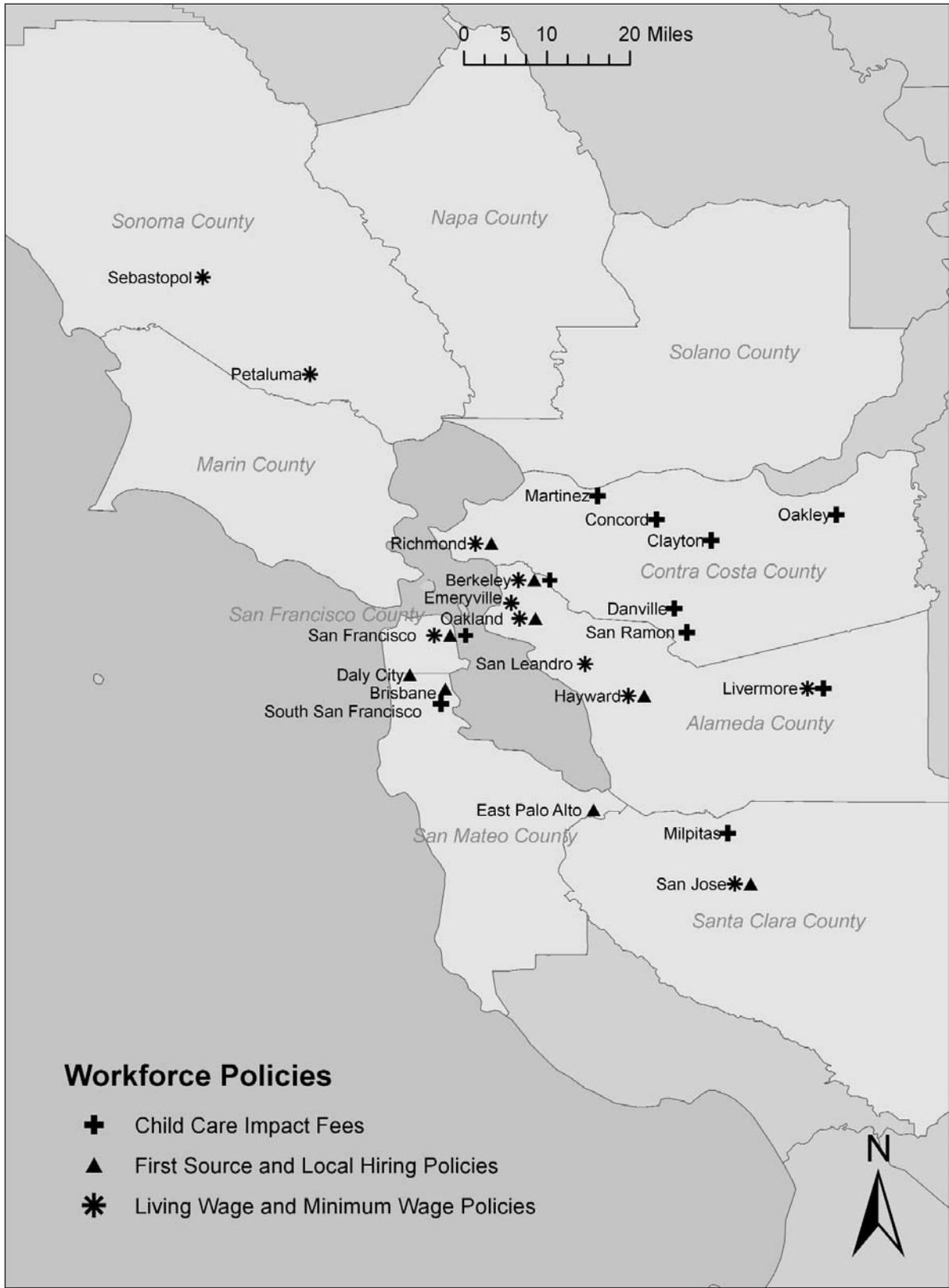
APPENDIX B:

Maps of Community Standards Policies in the Bay Area

MAP 1: WORKFORCE POLICIES

MAP 2: HOUSING POLICIES

MAP 3: SMART GROWTH AND LIVABILITY POLICIES







APPENDIX C:

Sample Questions in a Community Impact Report

OVERALL EXISTING CONDITIONS

- What are the *demographics of those who live in the area* around the project? What is the breakdown of these households by race, income, and family size? By renters or homeowners?
- How has the *population changed* over the last decade?

FIVE MAIN CATEGORIES: COMPARING EXISTING CONDITIONS AND PROJECTED IMPACTS OF NEW DEVELOPMENT

Housing Impacts

Impacts on housing for residents illuminate how the development will affect the stock of housing that is available and affordable for a range of income levels.

Existing Conditions

- Is there *adequate affordable* housing in the area?
- How many current households pay more than 30% of their income on housing costs (also known as housing cost burdened)?
- Are homes *overcrowded*?
- What is the existing *vacancy rate*?
- What policies exist regarding tenant protections and rent control? Do these policies apply to new developments?

Potential Impacts

- What percentage of units are rental versus homeownership?
- Will any existing housing be displaced, especially affordable housing?
- How many units, and at what levels of affordability, will be offered or guaranteed?
- Will the units be large enough to accommodate families, and will there be smaller units for professionals and retirees?
- Could the project lead to indirect displacement of current families as property values rise?
- Will the project help meet the City's Housing Element goals of the General Plan?

Employment and Business Impacts

These questions target the net economic and employment impacts generated by the project—whether residential, commercial, retail, or mixed use.

Existing Conditions

- What *skills* do local residents offer employers?
- Do residents face unusual *economic challenges*, such as high poverty rates, high unemployment, or barriers to work such as limited English proficiency?
- Are *small businesses* operating in the area?
- Are there adequate *living wage jobs in the area* that provide career opportunities?

Projected Impacts

- What will be the *net gain in jobs* (new jobs minus displaced jobs)? Will the jobs be construction jobs mainly, or permanent jobs onsite?
- Will residents have *access* to those jobs, given existing skills and conditions?
- Will the project *add living wage jobs* to the regional labor market?
- Will *existing small businesses* lose customers to new large retail stores?

Fiscal Analysis

These questions help ensure that scarce public resources are used wisely, and encourage accountability by giving taxpayers important information about the City's fiscal health, as well as the projected financial costs and benefits for the local government or public agency involved.

Existing Conditions

- What is the City's *current financial health*? What resources and powers, including redevelopment, can be used to finance future development? What has been the *City's return on investment* from previously subsidized projects?

Projected Impacts

- What are the *direct or indirect subsidies* or city resources being invested in the project? What are the *opportunity costs* of spending money on this development, versus other uses?
- Will the *revenues generated* by the project outweigh the costs of providing new services?

Community Services and Retail Needs

Development can mitigate or exacerbate community needs other than affordable housing and quality jobs. These questions help local jurisdictions assess the neighborhood amenities and services that will be affected by the proposed development, within the context of existing needs.

Existing Conditions

- Are there *sufficient community services*, such as day care, places for children to play, public safety, health clinics, and schools?
- Are there *places to shop* nearby to meet nutritional and other needs?

Projected Impacts

- Will the project *improve access to vital community services*, such as day care, health care facilities, or public meeting spaces?
- Will the project *increase access to locally serving retail*, either through new stores or better access to public transit?

Environmental Health, Smart Growth, and Sustainability

Whether through state legislation or local initiatives, more and more cities and counties are improving the sustainability, traditional environmental, and environmental justice processes and outcomes of development. These questions help ensure that the construction and operation of development will address the importance of smart growth and sustainability.

Existing Conditions

- What is the current use of *public transit* by area residents?
- Is the site currently highly *contaminated or toxic*?

Projected Impacts

- Will the project improve *overall environmental conditions* in the community?
- Will new work sites meet *adequate indoor health* standards?
- If there are negative environmental impacts, such as air pollution or toxic run-off, will they be *disproportionately borne by historically disadvantaged groups*?
- Does the project foster *use of public transit* and other car-alternative modes?
- Does the project use *underutilized, "urban in-fill"* land that is close to roads, sewer lines, and other existing infrastructure?
- Does the project *foster city sustainability goals*, such as green building and recycling?

ENDNOTES

- 1 California Health and Safety Code, Section 33071.
- 2 As of 2007, the program in Berkeley, which expanded into Oakland, is credited with training a cumulative 1,500 students over the past 15 years. Source: Tansey, Bernadette. "Program opens biotech doors to teens through classes, jobs." San Francisco Chronicle, E1, August 26, 2007.
- 3 East Bay Alliance for a Sustainable Economy. "Putting Oakland to Work: A Comprehensive Strategy to Create Real Jobs for Residents." November 2006. p. 48.
- 4 The first source hire outcomes for construction were unavailable, but for the permanent jobs, as of 2008, it is estimated that 62% of the workers are San Francisco residents, and 8% are SoMa residents.
- 5 San Jose Sunshine Task Force. <http://www.sanjoseca.gov/clerk/TaskForce/SRTF/SRTF.asp>
- 6 RFQs generally precede RFPs. RFPs generally include more detailed information to be submitted by prospective developers or bidders.
- 7 Two examples of regional business groups' work on affordable housing and transportation can be found at the following websites: <http://svlg.net/issues/housing/index.php> and http://www.bayareacouncil.org/takeaction_com_transportation.php
- 8 California Budget Project. "Making Ends Meet: The State of Working California 1979-2006." October 2007, p. 17. Additionally, many workers do not have automatic or annual cost of living adjustments to allow wages to keep up with living expenses.
- 9 Port of Oakland. "Regional Economic Impacts." Retrieved 1-3-08. <http://www.portofoakland.com/portnyou/regional.asp>
- 10 EBASE. "Living Wage Implementation at the Port of Oakland: One Year Status Report." July 2003.
- 11 Both policies were passed in the same ordinance. In this case study, we will address only the First Source Hiring policy.
- 12 Keyser Marston Associates, Inc. "Child Care Linkage Program." Prepared for City of Santa Monica. November 2005. Table 13: "Child care linkage programs in other jurisdictions."
- 13 For more information the NonProfit Housing Association of Northern California's Bay Area Inclusionary Housing Initiative, visit <http://www.nonprofithousing.org/actioncenter/campaigns/default.aspx>
- 14 See also Greenbelt Alliance. "Bay Area Smart Growth Scorecard 2006."
- 15 City of Palo Alto. "Understanding the Citywide Transportation Impact Fee." Revised 8/3/2007.
- 16 Major regional, state, and federal regulatory bodies on the governing board of the MTC include the Bay Conservation and Development Commission (BCDC); the Association of Bay Area Governments (ABAG); the U.S. Department of Housing and Urban Development (HUD); and the State of California Business, Transportation, and Housing Agency.
- 17 See also Richmond Equitable Development Initiative. "REDI's proposals for Policy and Implementation Measures for the Richmond General Plan" Transportation Element. December 2007; Great Communities Collaborative Toolkit. "Policy Checklist: How to Craft a High Quality Station Area Plan." <http://www.greatcommunities.org/intranet/library/sites-tools/great-communities-toolkit/policychecklist.pdf>
- 18 Carey Knecht of the Greenbelt Alliance helped provide urban growth boundary policies tracked through the "Bay Area Smart Growth Scorecard" published in 2006.
- 19 The following cities had urban growth boundaries but were not included in EBASE's inventory: St. Helena and Monte Sereno. See Appendix A for more information on the policy inventory.
- 20 U.S. Green Building Council. <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=222>
- 21 The Governor's Office of Planning and Research conducts an annual survey of cities and counties throughout California that are engaged in General Plan updates. This survey is arranged by elements being drafted, and includes the status of the update process. <http://www.calpin.ca.gov/information/default.asp>
- 22 Governor's Office of Planning and Research. "State of California Guidelines for General Plans, 2003."
- 23 For more on environmental justice in California and the precautionary principle, see also "Building Healthy Communities from the Ground Up." Compiled by Martha Matsuoka. <http://www.cbecal.org/pdf/healthy-communities.pdf>
- 24 Governor's Office of Planning and Research. "State of California Guidelines for General Plans, 2003." pp. 22-28.
- 25 For more on Smart Growth and Transit-Oriented Development, see also Greenbelt Alliance. "Bay Area Smart Growth Scorecard 2006." Association of Bay Area Governments. "Theory in Action: Smart Growth Case Studies in the San Francisco Bay Area and the Nation." Spring 2000. <http://www.abag.ca.gov/planning/theoryia/>



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