



BUILDING A BETTER BAY AREA:

Community Benefit Tools and Case Studies
to Achieve Responsible Development

Executive Summary

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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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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.

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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.

For the full report, please visit
www.workingeastbay.org/babba



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