

MGT 826: Inclusive Economic Development Lab

Union Station Redevelopment

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Guiding Question:

What can the Union Station Project do to best create community benefit throughout the redevelopment process?

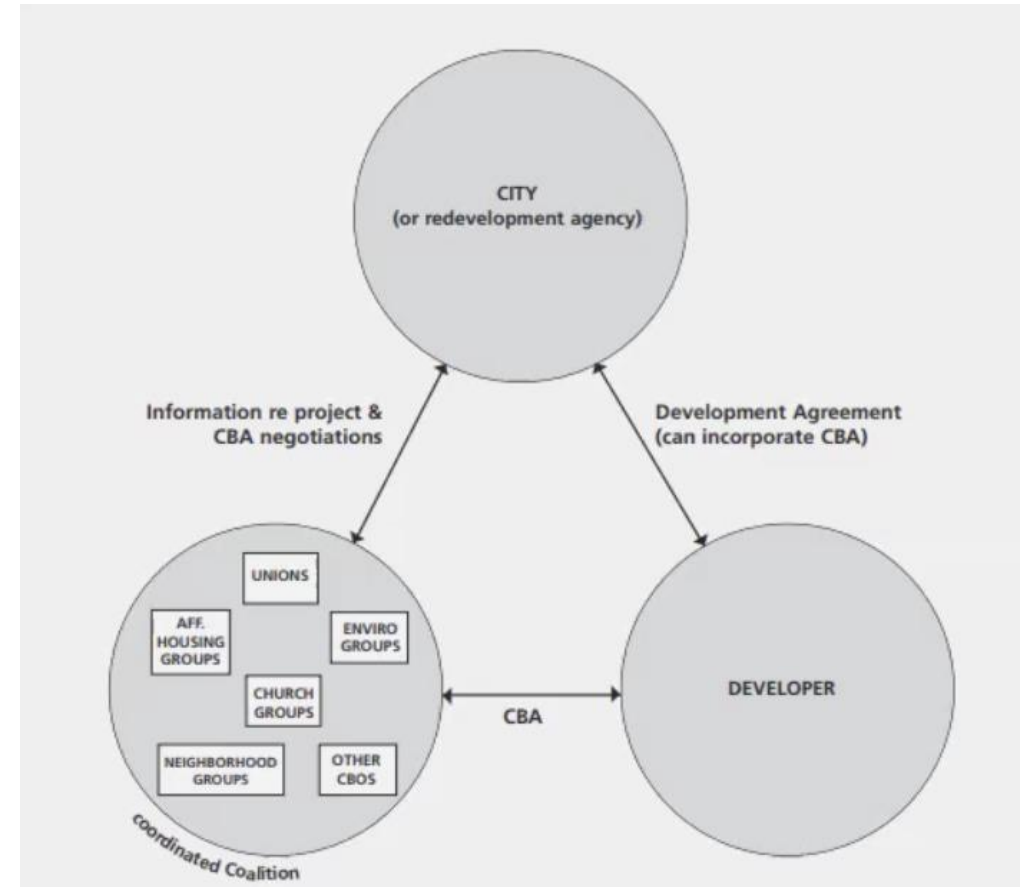


Goal:

Conduct research and create a white paper with clear recommendations that can be used both by city and other community stakeholders as a foundation for deciding through future community engagement what might be possible in terms of a Community Benefits Agreement (CBA).

What is a Community Benefits Agreement?

- A **community benefits agreement (CBA)** is a **legally binding contract** between a **private developer and local community stakeholder groups** that is designed to ensure that the development positively impacts the local community
- In a CBA, a developer will usually **agree to a set of procedures/standards** in **exchange for community support** from stakeholder groups
- CBAs always include **labor as a key component**, with an **increasing focus on affordable housing**



Source: Los Angeles Alliance for a New Economy

What are the Opportunities and Challenges of CBAs?



OPPORTUNITIES

- Can create more widespread community benefit when investment occurs in a region
- Local workforce development and jobs are central benefits that can be negotiated, but they should be good jobs
- Organizing efforts for CBAs can build community cohesion and grassroots community planning networks



CHALLENGES

- Can cause confusion about who enforces the agreement – important for the city to back up the contract
- Hard to keep track of all developments occurring all over the city – move to incorporate some aspects of CBAs as city regulation
- Some developers pushing back–(i.e. Obama Foundation says it will not provide affordable housing itself, as part of a CBA, but will use lobbying power with city to encourage them to provide it)

CBA Case Studies

Los Angeles Alliance for a New Economy:

- LAANE established the first CBA in the US with the LAX redevelopment in the 2000s.
- Since then, LAANE has built internal capabilities and evolved to organize at the industry level and create training programs for grassroots organizing.

Detroit:

- Detroit was the first city to develop ordinance at the city level, which requires CBAs that are \$75M+ in value and receiving \$1M+ in public subsidies.
- This model has led to mixed results with tensions and uneven power dynamics emerging during negotiations.

Key Takeaways:

- CBAs are a limited tool with mixed outcomes depending on the city. Some orgs, like LAANE, are developing broader strategies and execute cross-industry programs that can reinforce CBAs and make both efforts more effective (i.e. the Utility Pre-craft Training Program).
- Almost all of the current CBAs address wage/labor in some form:
 - Job Training Program
 - Developer Owned Apprenticeship Program
 - Wage Increase/Living Wage/Wage Floor (majority)
 - First Source Hiring System
 - Increased Opportunities for Local Small, Minority or Women-Owned Businesses

Three Key Stakeholder Groups

In thinking about community benefit, we identified three key stakeholder groups that should be involved in negotiating a Union Station CBA:

Stakeholder	What do they care about?	Who are key contacts?	What have other CBAs negotiated?
Residents	<ul style="list-style-type: none"> - Gentrification & displacement - Healthy and environmentally friendly environments - Job training - Income-producing opportunities 	<ul style="list-style-type: none"> - Community Management Teams - Alderpersons - New Haven Rising 	<ul style="list-style-type: none"> - The Beltline Project CBA in Atlanta: For every development bond issued, 15% of net proceeds must be set aside for the creation of 5,000+ affordable housing units - The Hollywood & Vine Redevelopment CBA: Allocate \$15,000 toward a health care access program; 20% of rental units must be affordable; allocate \$75,000 toward job training programs - LAX CBA: Commit to electrifying airplane gates to eliminate pollution; funds allocated toward health impacts of airport operations; pollution & noise impact relief for public schools - The Staples Center CBA: Increased affordable housing requirements in the housing component of the project; Funding for a residential parking program for local neighborhoods
Small Businesses	<ul style="list-style-type: none"> - Commercial displacement & gentrification - COVID-19 relief & recovery - Business opportunities 	<ul style="list-style-type: none"> - SBRC - ConnCorp - NXTHVN 	<ul style="list-style-type: none"> - The Hill District CBA in Pittsburgh: targeted outreach and pre-bid meetings with workshops for, local, minority and disadvantaged businesses related to business opportunities associated with the development - LAX CBA: Increased opportunities for minority-owned businesses
Labor	<ul style="list-style-type: none"> - Both contractors and hired labor - Jobs creation versus contract relationships - Job training 	<ul style="list-style-type: none"> - New Haven Works (i.e. Melissa Mason) - New Haven Rising - Unions (i.e. Ernest Pagan) 	<ul style="list-style-type: none"> - NoHo Commons in LA: Set living wage + first source hiring commitments - Hollywood & Vine Redevelopment CBA: First source hiring for local, low-income individuals - LAX CBA: \$15 million in job training funds; local hiring program to give priority for jobs at LAX to local and low-income residents - The Staples Center CBA: 70% of the jobs created in the project will pay the LA living wage; first source hiring program targeting job opportunities to low-income/displaced individuals

Learning from Our Successes: New Haven

"Good" CBA

- **Smilow Cancer Center:** Good start with thorough community outreach
- **101 College St:** Partnership with New Haven Works; developer funding commitment to city for trainings and scholarships
- **Tweed:** Project Labor Agreement guarantees union jobs, local hiring, apprenticeships

"Bad" CBA

- **Smilow Cancer Center:** CBA violations by hospital; Union suppression
- **Coliseum Redevelopment:** Lack of community engagement; 2013 DLDA limits developer responsibility; Fair labor ordinance but limited collaboration with New Haven Works

Key Takeaways from Stakeholder Interviews



"Workers need to be unionized to ensure job training and security that allows them to progress instead of constantly looking for new jobs."

- Ernest Pagan, Carpenters Local Union 326

- Require unionized work with local talent pool so developer can budget for this
- More accountable to unionized workers who are better educated about rights
- Training is key: need community benefits to extend deep into skill training pipeline
- Leverage organizations such as New Haven Rising for community outreach



"Key for local hiring is that developer must agree to enter into a partnership agreement with New Haven Works."

- Melissa Mason, Executive Director New Haven Works

- Essential to go into RFP process with expectations in mind
- Small business entrepreneurship not always path to wealth building
- No better way to get access to a good job than to guarantee a fair pathway to unionization
- Extra outreach for The Hill because of multiple projects (101 College, Downtown Crossing, etc)

Recommendations

Best Practices...

1. Cities must leverage CBAs with connected pipeline programs for local hiring (including contractors) so that development projects become stepping-stones for new infrastructure projects.

... Applied in New Haven

1. Leverage organizations such as New Haven Works to create pipeline programs that will not only increase local hiring but lead to unionized jobs that will encourage longevity in a specific trade and create job training programs

Examples

Build NOLA Mobilization Fund: In response to expectation of public spending on infrastructure projects, New Orleans developed \$5M fund to help women and minority owned businesses to be better positioned to compete for these future contracts

Jobs to Move America/Proterra: JMA signed CBA with Proterra, an electric bus manufacturer, and United Steelworkers Local 675 (USW 675), to develop hiring/training program to grow community of workers from underrepresented populations in manufacturing

Kingsbridge National Ice Center CBA: Greening project to incentivize public transportation use, mitigate pollution and provide \$10,000 per year to train local residents in skills required for work with alternative-energy-generation systems

Recommendations

Best Practices...

2. Build a CBA process that includes key partners (i.e. New Haven Works) and a standard approvals process (i.e. Alderpersons) to require CBAs as a default

... Applied in New Haven

2a. Work with New Haven Works to develop standard language for RFPs, based on the "win" from the 101 College street CBA

2b. Learn from the 101 College CBA approvals process as well, as this is considered another feature of its success (e.g. having the alders sign off approval at different stages, need more info here)

Examples

Detroit: The main takeaway is on what not to do in terms of community board given the tensions and power imbalances that arise, but a loosely codified process may be something useful to replicate

101 College Street: Learn from our own "wins," and carry them forward. Right now, we are recreating the wheel every time, which adds unnecessary time and effort from all stakeholders and produces opportunity costs

Recommendations

Best Practices...

3. Build on “wins” to develop new capacities of engagement and strengthen existing community organizing models and develop a network of actors who have ties into the neighborhoods to lead the engagement process.

... Applied in New Haven

3a. Incorporate typical demands into an RFP for future development that focuses on local community benefits

3b. Leverage local community stakeholder groups that the New Haven community trusts in a CBA process, such as New Haven Rising, New Haven Works, and Union representatives

Examples

Jeremy Levine: Community-based organizations are always accountable to the funder and often not democratically elected; thus, it is extremely important to engage with community-based organizations that represent the community as a collective and have the trust of the community

Communities have **heterogeneous wants and needs**, but creating a process that gives voice to those heterogeneous demands can be an important baseline for stronger community-city relations.

Recommendations

Best Practices...

4. Engage with a variety of community stakeholders and view the CBA process as an idea-thon that can elicit ideas for how to use the development project in ways that drive community benefit.

... Applied in New Haven

4a. Utilize open parcels of land around the train station to create development that will increase the local hiring pipeline (e.g. hotels)

4b. Set aside partial use of new space for community benefit (e.g., grocery store)

4c. Local entrepreneurship or community production spaces

Examples

Flatbush Caton Market in Brooklyn: Includes two large low-cost community production spaces available for rental (a commercial kitchen and a space to produce personal beauty products such as lotions, body oils, perfumes, etc.). Business development services tied into production spaces and the community kitchen production space wired for live streaming giving entrepreneurs the ability to produce live cooking demos on Youtube, Tiktok, etc.

Chicago: Provide grants to small businesses in area or to support establishment of nearby Food Hall with local vendors to increase capacity of local businesses to take advantage of new customers

Union Station "New Haven" Shop: Feature info about neighborhood-based entrepreneurs, create initiatives such as a Sanctuary Kitchen takeaway and invite someone like ConnCORP or Bloom (in Westville) to operate it, featuring local entrepreneurs wares, local musicians, art, etc.

Questions & Discussion

KEY TAKEAWAYS

- Timing is important (RFP)
- Learning from successes
- "We dropped the ball on the Coliseum"
- Build capacity of the contractor and labor pipelines with every project
- Union Station project could be used to take these to next level by investing in signature contractor capacity building program, like New Orleans
- New Haven Works and New Haven Rising can be strong partners in this work
- Engagement is key to find out what specific benefits would best serve the specific project
- "New Havenites tired of seeing development of things that don't benefit them"

Sources

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