

Community Benefits Agreement Ordinance

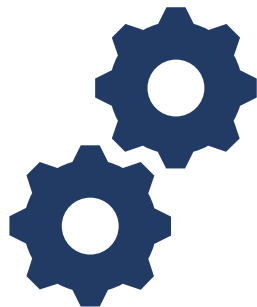
Law and Legislation Committee

PRESENTED 10/17/23

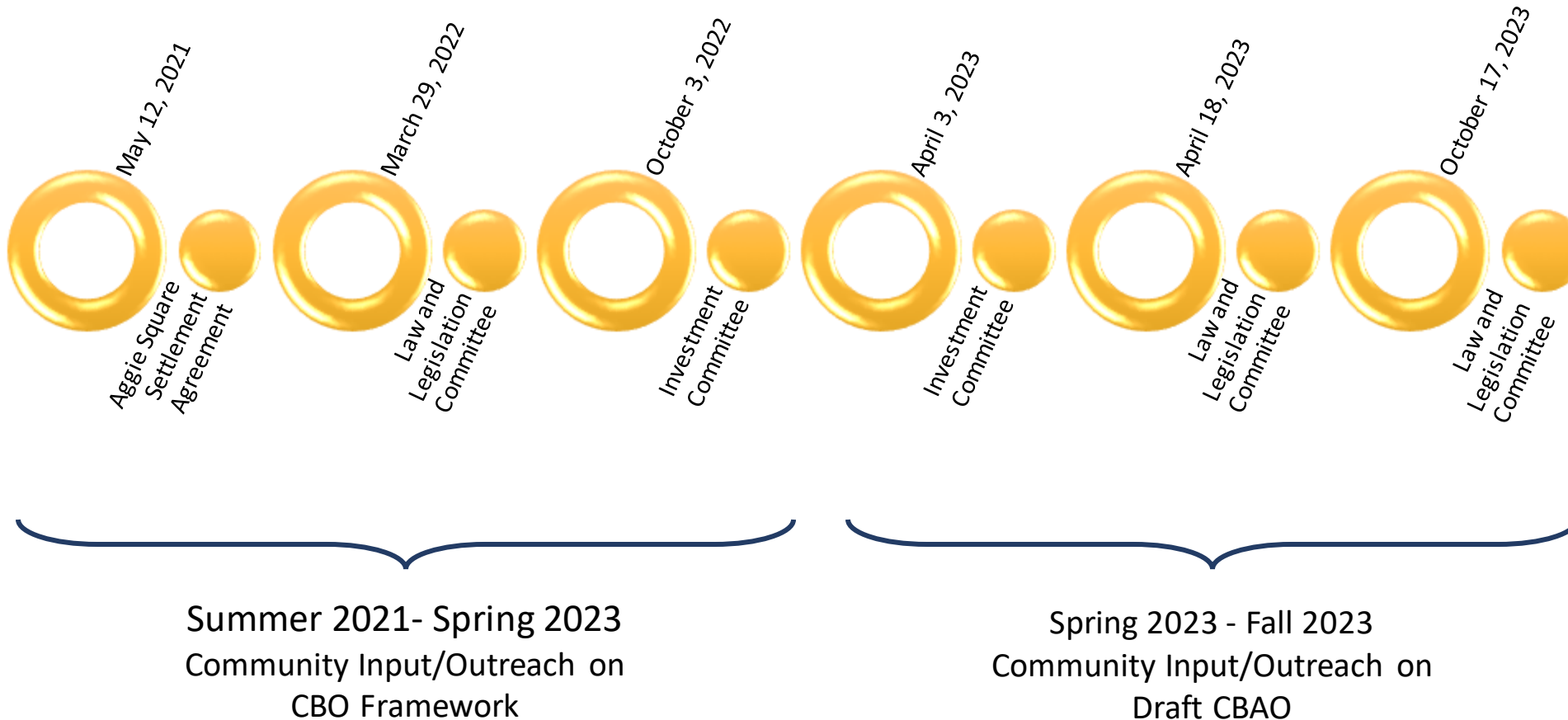


Aggie Square Settlement Agreement

- City to develop and bring forward for City Council consideration a Community Benefit Ordinance
- Community Benefit Agreements for significant development projects with public financing and/or incentives.



CBAO Development Timeline



Draft Community Benefits Agreement Ordinance

- \$10 Million dollars of City Investment/Subsidy for Significant Development Projects require a CBA
- Definition of Subsidy Consistent with Govt. Code 53083 as referenced in the Aggie Square Settlement Agreement
 - Expenditure of public funds or loss of revenue to the City such as grants, loans or fee waivers

Draft Community Benefits Agreement Ordinance

- All CBAs require:
 - Compliance with prevailing wage laws
 - Local hire provisions
 - Designated third party beneficiaries
- Cannot waive these requirements

Draft Community Benefits Agreement Ordinance

- Benefits :
 - Small and Local Business Support
 - Anti-Displacement Strategies
 - Affordable Housing
 - Transportation Projects or Initiatives
 - Project specific benefits as determined by Council
- Council may approve a CBA with some, none or all of the benefits listed above

Draft Community Benefits Agreement Ordinance

- City Manager shall seek community input:
 - When developing the terms of the CBA
 - Evaluating performance of the CBA
- City Manager may adopt policies/procedures to implement and enforce the Ordinance

Law and Legislation Committee



- April 18, 2023 - Draft Community Benefits Agreement Ordinance
- **Committee Comments**
 - What should threshold dollar amount be?
 - Should the threshold be a percentage of project cost?

Law and Legislation Committee

- Should benefits be scalable?
- Should enforcement provisions be included in the CBO?
- Should certain areas of the City such as the Central City be excluded?
- Should Council approve the Implementation Guidelines?

Law and Legislation Committee

- Can Stand Alone-Rezones trigger a CBA?
 - SIWD directed to provide legal support
- Staff directed to continue outreach to business and development community and solicit additional input

Continued Outreach & SIWD Legal Research

- Additional outreach to SIWD and business community
- SIWD provided legal research on stand alone rezones triggering CBAs
 - Not a viable option and not recommended to include in CBAO



Revised Draft Community Benefits Agreement Ordinance

Revised Draft CBAO

- Staff revised the draft CBAO based on:
 - Direction from L&L Committee
 - Streamlined Ordinance
 - Comments received at April 18th L&L Meeting
 - Stakeholder Input

Summary of Changes

- Section 3.156.010: Addition of a “Purpose” section outlining the goals and objectives of the ordinance;
- Section 3.156.030: Changes to the definition of “Affordable rent” – referencing a more widely accepted State standard;
- Section 3.156.030: Changes to the definition of “Development subsidy” – clarifying that certain types of bonds such as Mello-Roos/Community Facilities Bonds are not considered a development subsidy;

Revised Draft CBAO – Summary

- Section 3.156.070: Additional language in the “Community input” section;
- Section 3.156.080: Additional language in the “Policies and procedures” section to specify that the policies and procedures that the City Manager may adopt include address accessible and comprehensive community input processes.

Next Steps

- Recommend Committee forward CBAO to Council for consideration as required in Aggie Square Settlement Agreement
- If approved, continue work on Implementation Guidelines

Implementation Guidelines

- City and SIWD have been drafting collaboratively
- Continue working with partners to develop guidelines with an emphasis on:
 - Community Outreach and Engagement
 - Specificity on meetings and input process
 - Benefits
 - Including more detail and guidance
 - Metrics and Reporting Procedures



City of
SACRAMENTO
Innovation & Economic Development