



Executive Summary of Community Benefits Agreements Stakeholder Focus Groups

The City of Cleveland has been working to develop a Community Benefits Ordinance (CBO) which will set the legal framework for Community Benefits Agreements (CBA) requirements for development projects receiving city financial incentives over a certain amount.

Community Benefits Agreements (CBA) are legally binding agreements negotiated between a community coalition and a project developer that stipulate tangible benefits agreed to by the developer in exchange for community support of the project.

The City of Cleveland has historically been included as a party to negotiations. This ordinance will formalize and clarify that this process is “the way the City of Cleveland does business”.

The goals of this new ordinance are:

- To create predictability and flexibility enabling developers to propose construction projects and request city financial incentives to complete those projects.
- To provide additional opportunities for MBE/FBE/CSBs to scale their businesses and grow the local workforce. Construction reform will make the delivery methods for construction projects more efficient and effective.

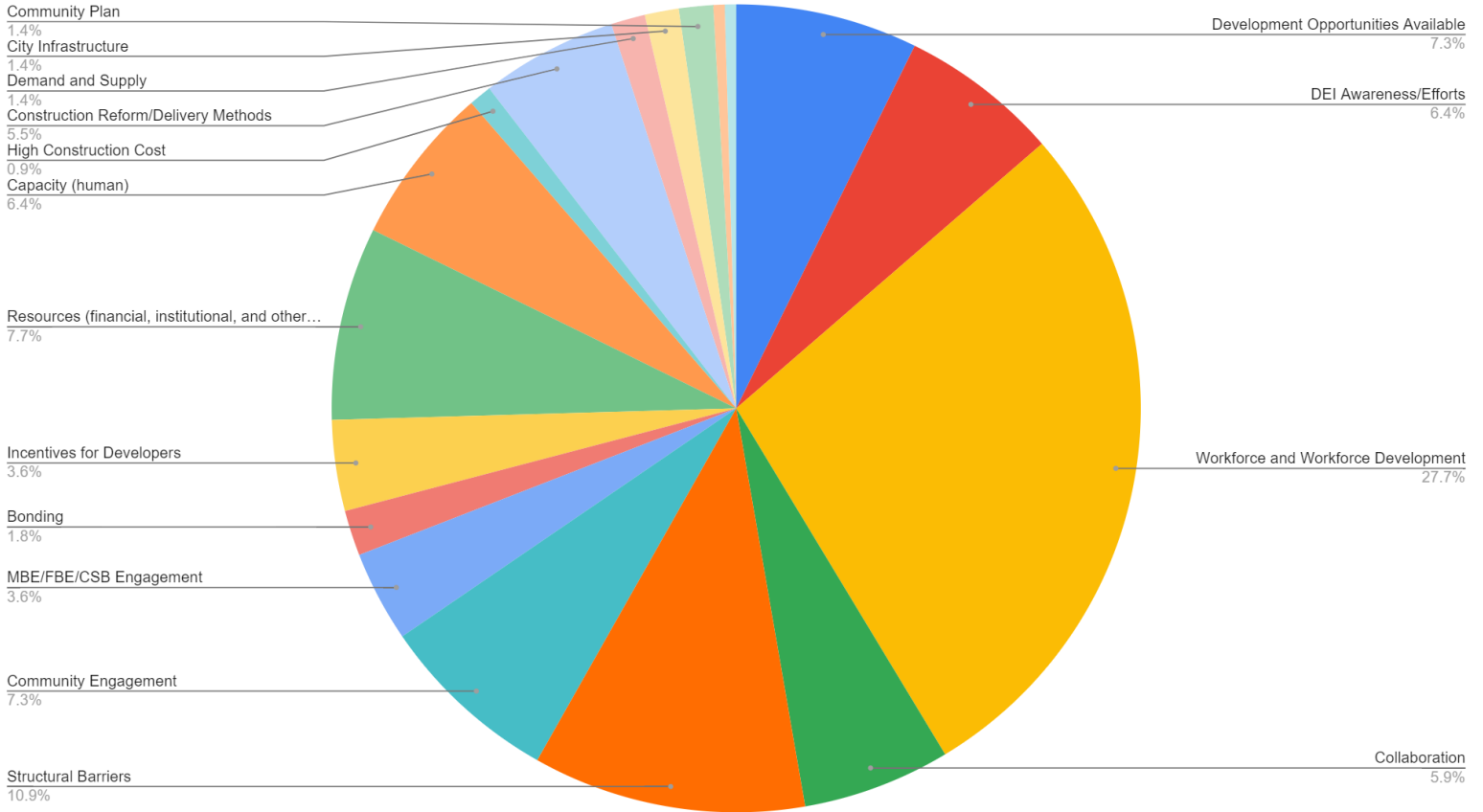
In June of 2022, an internal working group was formed to study Community Benefits Agreements and to consider implementing a City policy to ensure that development projects provide maximized, tangible benefits to Cleveland’s communities and residents, and improve reporting practices and public accessibility to the workforce and community benefits data and information. See the Resolution here: [Res. No. 954-2022](#). See **Appendix A** for a list of the working group members.

In order to better address the nuances and complexities of this topic, the working group decided to host and facilitate three focus groups to solicit feedback directly from stakeholders interested in this topic. We appreciate the collaboration of Patrice Blakemore, Senior Vice President, Equity & Inclusion, and Chris Nance, Vice President, Construction, both with the Greater Cleveland Partnership, in supporting our stakeholder convening efforts.

The focus groups took place in October and November 2022, and consisted of nearly 100 people representing various stakeholders across the construction ecosystem. See **Appendix B** for a list of attendees. All three focus groups followed the same format, and all participants were asked the same questions. Below is a summary of our findings.

Overall Themes that Emerged from All Focus Groups

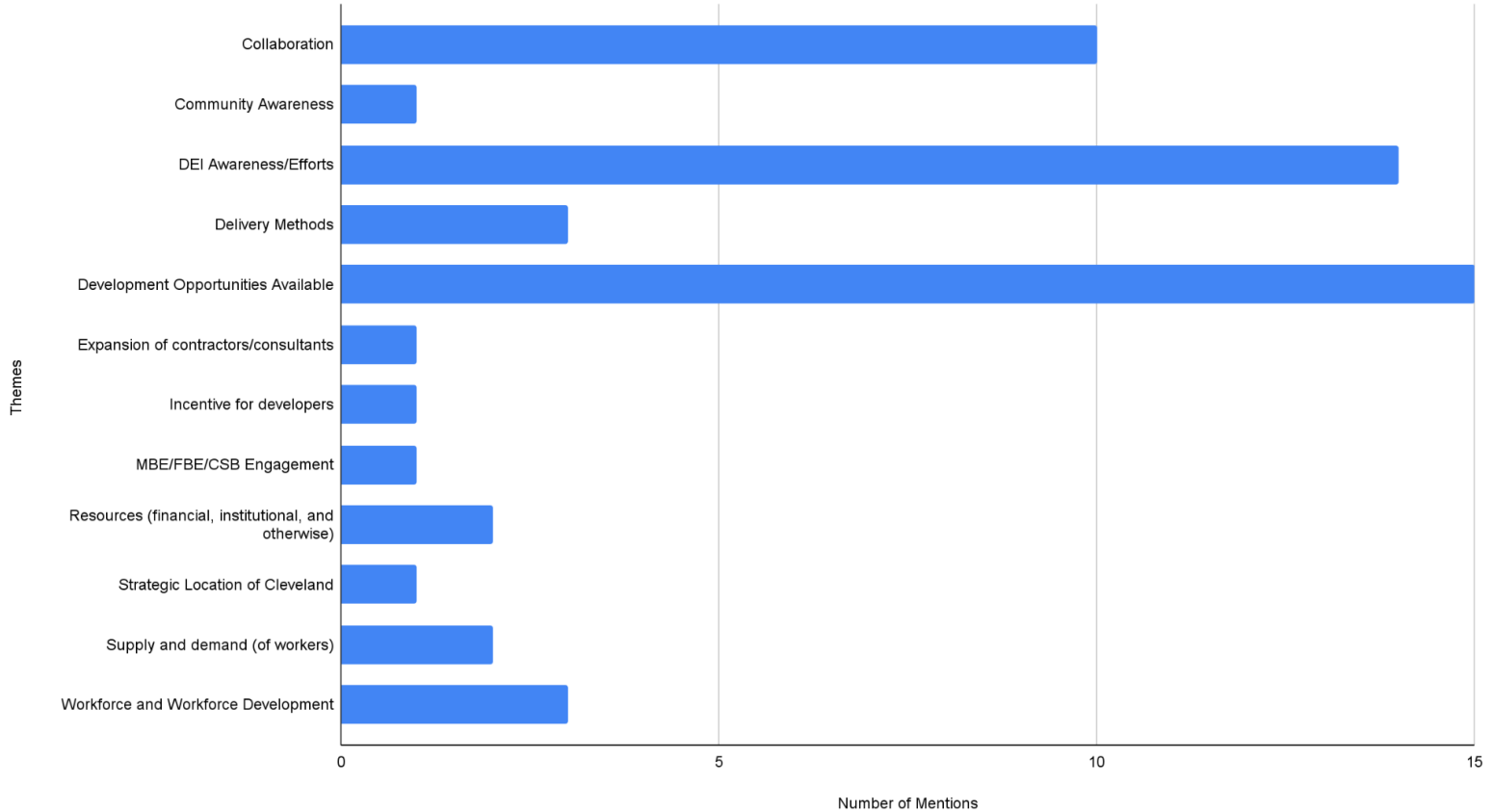
Themes from CBA Notes



¹ Structural Barriers include local government processes, certification processes, and slow payment of contractors (expanded on below).

Question #1: What's working in our construction ecosystem?

What is working in our construction ecosystem?



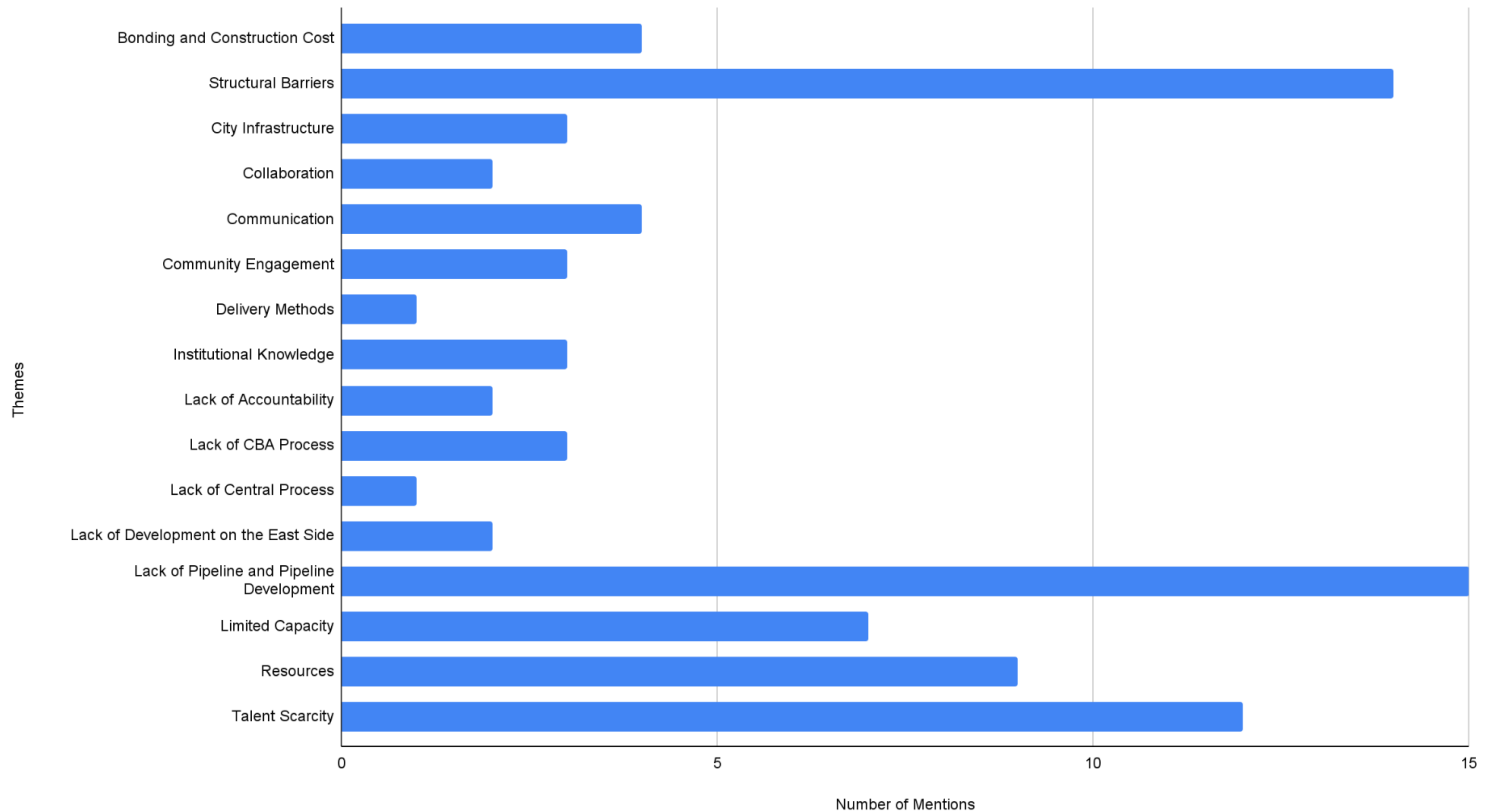
Three main themes emerged:

- **There are cranes in the sky:** many stakeholders expressed positive and hopeful feedback about multiple developments and new construction happening currently and in the future:
 - “Development is happening; things are being built”
 - “There is a diversity of projects coming up - a broader scale of projects”
- **Diversity, equity, and inclusion efforts are in progress:** There were consistent comments about meaningful - though few - efforts to include underrepresented populations:
 - “Renovations are coming up. People are starting to understand the problem we are trying to solve, for example, the inclusion of diverse businesses, more people in the pipeline in construction and engineering.”
 - “More private clients interested in a diverse workforce without government pressure”
- **Collaboration:** There is more willingness to collaborate internally within the construction sectors, and externally with local government and nonprofits. There was also a broad acknowledgment of the collaboration within City Hall - between the City Council and the Administration - being a key component in moving this work forward.

- “There is enhancement in creativity and collaboration. In the past, it’s been in spurts, but now there is a renewed sense of collaboration. Reclaiming a recognition of the importance of CDCs, leveraging the whole community development ecosystem. There’s approachability at City Hall at both council and administration that’s much more open.”
- “There’s more willingness of the administration and council to have these conversations. Different cities have different definitions. It’s crucial to have all the data to see what is available and what the rules are.”

Question #2: What's not Working in our Construction Ecosystem?

What is not working in our construction ecosystem?



There was an overwhelming focus on workforce-related issues and the lack of a talent pipeline into the industry:

- **Workforce development needs:** As the workforce gets older and retires, there is a lack of programs and training opportunities to create a pipeline of new and younger workers.
 - “There is not enough early exposure for people to understand what skilled labor is. There’s a need to expose the pipeline of skilled labor [to the younger population] because that’s the population to target and that [is who will] start businesses. It takes 3-5 years to gain [these] skills and unlike other trades, people tend to stay in it for life. How does one get an onramp [to the construction trades sector]?”
 - “There are no incubators for skilled labor and no place to train for people that have learned.”
- **Limited human capacity:** especially for minority (MBE), female (FSB), and Cleveland small businesses (CSB), who often have less staff - and therefore, sometimes, less capability - compared to larger companies that are able to hire additional staff when needed, for example, to proactively look for and respond to RFQs/RFPs.

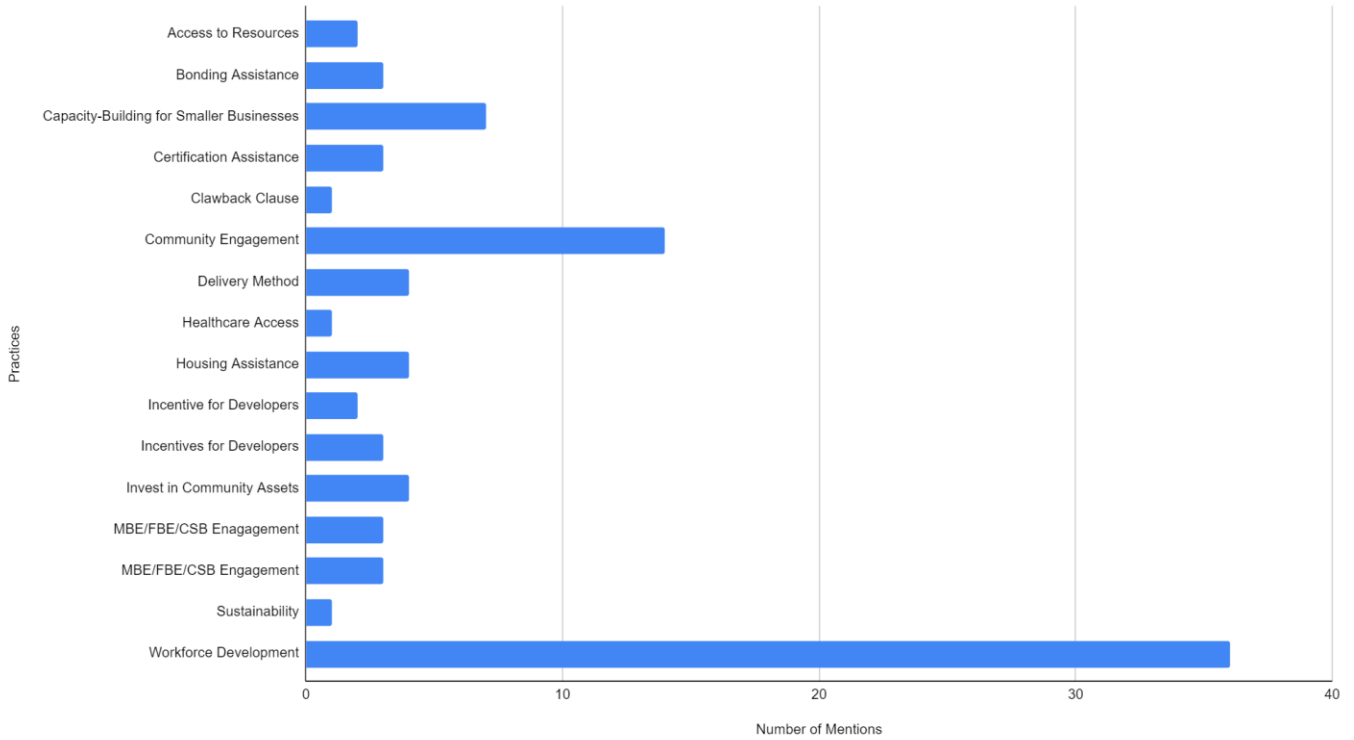
² Structural Barriers include local government processes, certification processes, and slow payment of contractors.

- “Some of the trades in construction may not fit what a small company may be deemed able to do or may have the capacity to do; they end up being pigeonholed and it becomes difficult to scale up.”
- “It’s not easy for minority contractors to scale up; [it’s] not an appropriate environment [because of] slow pay[ments], back office stuff, running a business.”
- **Issues with access to resources:** including financial, institutional, and informational, especially for minority and female-owned enterprises
 - “Access to capital varies based on who you are (MBE, FSB) and at what level you’re doing the work; there is no roadmap to the right kind of capital”
 - “[There is] difficulty accessing capital for those who may want to get into the industry or start their company.”
- **Inadequate engagement with MBE/FSB/CSB**
 - “There is a need for more female participation in the workforce and a need to support women in a meaningful way.”
 - “Set a basic basement or floor for MBE - black, Hispanic, Cleveland residents. It cannot say “best efforts” or “best intentions”. It has to have all 3 [MBE/FBE/CSB] from the menu because projects [would] look different.”
- **High cost of bonding and increased cost of construction,** which presents a barrier for smaller businesses that may not have enough financial capital
 - “Smaller companies cannot secure bonding and this needs to be addressed by [providing] capital support to purchase.”
 - “Material costs and interest rates are insane; the construction climate [is] getting harder.”
- **Poor city infrastructure and community/neighborhood planning:** this discourages developers from working in certain areas
 - “There is poor and not enough infrastructure development in the city which discourages developers from wanting to do work in the city”
 - “There is a need to focus more intentionally on the development of the east Lakefront to make it more attractive to developers”
- **Inefficient local government and certification processes (Structural Barriers):** some processes were described as redundant and tedious
 - “Permitting and entitlement processes is a slow process, tedious and expensive, and they differ between city and county”
 - “City Hall is short-staffed, bottle-necked, and things are too complicated - this has led to developers leaving”
 - “There also needs to be competency at City Hall at all levels; it has been hard moving things in City Hall this year”
 - “It is different for women being brought to the table. There is so much paperwork for MBE/FBE that it obstructs people. It is so overwhelming that many people don’t apply. You have to apply multiple times because [it differs between] the state versus the city versus the county. There is not a central way to get documents”
- **Slow payment of contractors (Structural Barriers):** contractors are not always paid on time, which is a hindrance for smaller contractors who depend on getting paid in order to begin another job
 - “Smaller subcontractors want to get paid immediately; the general contractor needs to be paid sooner”

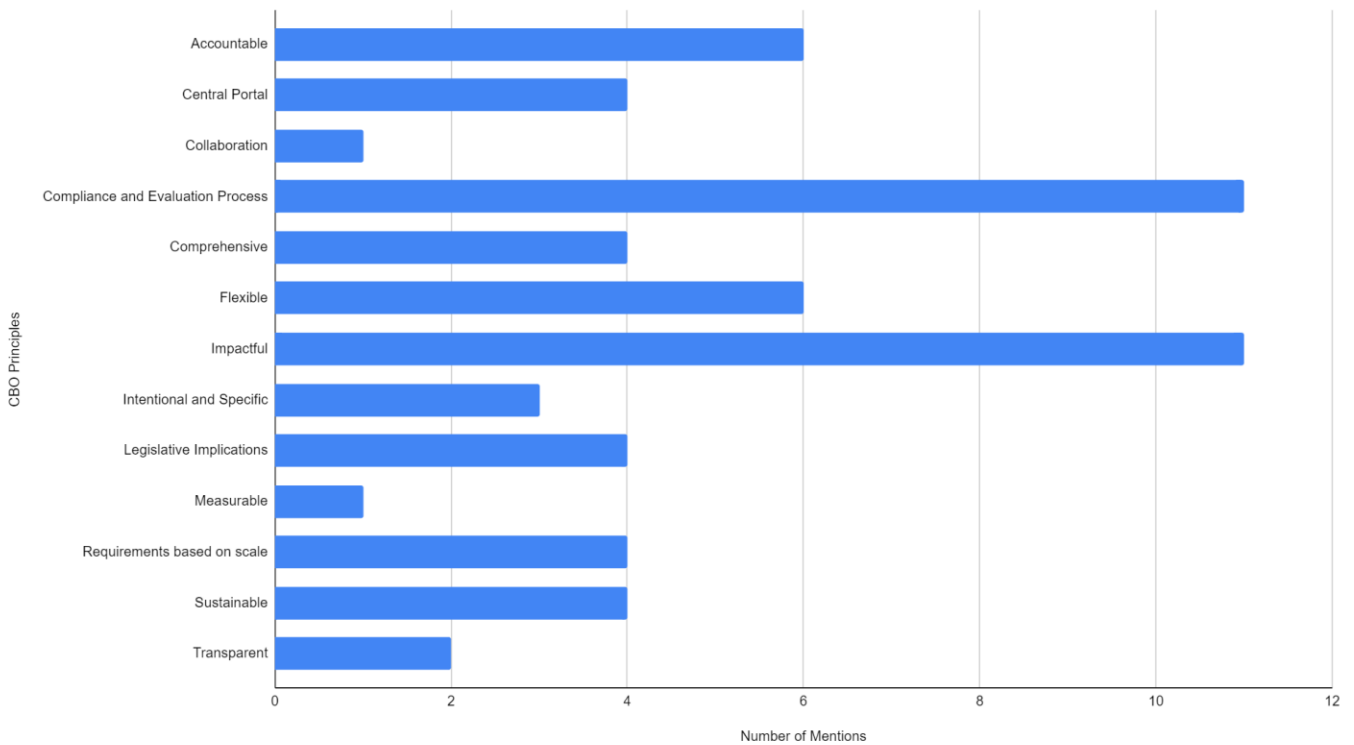
- “Capacity - as a small business might not have the financial and staff capacity to participate. Payments are not fast enough for many, faster payments allow smaller businesses to participate more”.

Question #3: If you Could Design the CBA Process/Ordinance, What Would it Look like?

If you could design the CBA process/ordinance, what would it look like?



If you could design the CBA process/ordinance, what would it look like?



The responses were categorized into specific practices that the ordinance should include, and general themes or principle that the CBO should abide by:

Practices:

- Investing in workforce development
- Participating in community engagement
- Creating incentives for developers remain engaged
- Providing technical assistance to smaller companies
- Inclusion of claw-back clauses
- Assistance with program certification
- Developing mentor-protégé relationships
- Investing in community assets that would increase neighborhood value (real estate and otherwise)
- Creation of a community investment fund
- Affordable housing units in market-rate rental developments
- Low-income housing repairs
- Funds to support CDCs, local nonprofit organization, or recreation centers
- Allowing for alternate delivery methods

Themes and Principles of the CBO:

- Clear, concise, consistent, and compliant
- Flexibility
- Accountability
- Transparency
- Proper representation in compliance process
- Efficient evaluation process
- Have central portal for keeping track, ease of access, and data-reporting
- Comprehensive (inclusive of contractors as well as professional services)
- Tiered standards based on size and scale of project
- Consider city-wide versus community-specific benefits
- Sustainable and impactful

Delivery Methods, Other Cities Researched, Survey Results, and Next Steps

Delivery Methods

What is commonly known as “construction reform” was not a theme - it did not come up at all in the first two focus groups. However, it was mentioned numerous times during the third focus group as a related topic to CBAs. Construction Reform expands optimal project delivery systems for public improvement projects (projects owned by the city). Advantages are that it:

- Expands optimal project delivery systems for public improvement projects, projects owned by the city
- Creates more efficient methods and transparent processes for construction and building
- Removes opportunities for corruption
- Greatly enhances and incentivizes the opportunity for inclusion
- Helps to get a better quality of contractors at the sub-contractor level
- Allows the city to select based on best value, not just lowest price

and will require an amendment to Charter Section 167, Public Improvements. Under Charter Section 200, Council must pass an ordinance submitting the proposed Charter amendment to electors at a special election held 60-120 days after passage.

Other Cities Researched

The working group has studied community benefits policies and ordinances in Columbus, Detroit, Philadelphia, St. Louis, and Boston. Council staff has met with representatives from Detroit and Philadelphia, and the working group members will meet with St. Louis by the end of the year.

Survey results

At the conclusion of each focus group, participants received survey questions that asked: 1) Was this a good use of your time? 2) Would you be interested in participating in conversations like this in the future? 3) Any other comments or feedback? 62 participants responded to the survey:

- 100% said “yes,” the focus group was a good use of their time
- 98% would be interested in participating in conversations like this in the future.

Comments from participant surveys included:

- “Thank you, keep asking for participation.”
- “We must invest in our people, communities, and organizations using unconventional and non-traditional methodologies.”
- “Came into this session feeling like I had little to contribute but ultimately found it an enlightening discussion.”
- “I would like to see more development of school programs. This is to engage our youth and help them get involved even in these discussions to position ourselves for a better tomorrow.”
- “I look forward to next steps in this important revamping of a city-wide CBA process. There is a great opportunity to diversify the development industry from all aspects of development and construction.”
- “This is a GREAT start to the CBA conversation. Grateful to be a part of the conversation.”
- “This is a good way to be strategic in coming up with a good, flexible CBA.”
- “Excited to participate. This has to be tied to construction project delivery method.”

Next Steps

November-December 2022

- Community outreach in progress:
 - Community meetings in each ward to both inform and solicit feedback from residents
 - Distributing a survey through Council Member newsletters, Council social media, and phone hotline
 - Participation in the Lakefront Development Community Benefit Working Group
 - Meetings with various community organizations

January 2023:

- Introduce Community Benefits Ordinance and Construction Reform Charter Amendment Ordinance
- Community outreach continues
- Construction Reform will require an amendment to Charter Section 167, Public Improvements. Under Charter Section 200, Council must pass an ordinance submitting the proposed Charter amendment to electors at a special election held 60-120 days after passage.

May 2023: Construction Reform Charter Amendment proposal to appear on May 2nd Special Election ballot (confirming special election date).

Appendix A: Community Benefits Working Group Members

City Council	Mayor's Administration
Blaine Griffin, Council President, Ward 6	Justin Bibb, Mayor
Kerry McCormack, Ward 3	Jeff Epstein, Chief of Integrated Development
Anthony Hairston, Ward 10	Bonnie Teeuwen, Chief Operating Officer
Jasmin Santana, Ward 14	Tyson Mitchell, Director, Office of Equal Opportunity
Jennifer Heinert O'Leary, Special Counsel	Tessa Jackson, Director, Economic Development
Steven Rys, Special Assistant to Council	Angela Shute-Woodson, Director, Community Relations
Joan Mazzolini, Chief of Communications	Alyssa Hernandez, Director, Community Development
Darryle Torbert, Director of Communications	Michiel Wackers, Assistant Director, Community Development
Jessica Colombi, Director, Policy & Research	Michelle Rose, Executive Director, Cuyahoga County-Cleveland Workforce Development Board
Brook Sabin, Policy Analyst	Gretchen Blackwell, Public Service Fellow
Ibukun Ode-Martins, Public Service Fellow	Peighton Taylor, Public Service Fellow
Siân Payne, Public Service Fellow	

Appendix B: Focus Group Attendees*

Focus groups were staffed by Community Benefits Working Group members.

**We did our best to track RSVPs and actual attendees. Please let us know if your name is not here so we can update our records.*

Anne Richie, ACR Capital	Stephanie Turner, FASS Management Real Estate Services
Adrian Maldonado, Adrian Maldonado & Associates	Travis A Okel, Gilbane Building Company
Chelsea Maldonado, Adrian Maldonado & Associates	Mark D. Cunningham, Gilbane Building Company
Shariq Ali, Algebra AEC	Evan Chwalek, Global Cleveland
Esbeey Madera, All Phase General Construction	Joe Cimperman, Global Cleveland
Joe Lopez, Artessa Building Group	Autumn Russell, Greater Cleveland Career Consortium
Deb Janik, Bedrock Detroit	David Ebersole, Greater Cleveland Partnership
Justin Bahri, Bedrock Detroit	Marty McGann, Greater Cleveland Partnership
Nadia Sesay, Bedrock Detroit	Mike Glavin, Greater Cleveland Partnership
Carter Edman, City of Cleveland	Clarence Day, Griffin Moor International, LLP
Dennis Kramer, City of Cleveland	Philip Dangerfield, Haslam Sports Group
David Jenkins, Cleveland Browns	Ted Tywang, Haslam Sports Group
Pat Rios, Cleveland Clinic	Jose Feliciano Jr., Hispanic Roundtable
Jessica Coffey, Cleveland Development Advisors	Omar Elhagmusa, IFF
William A Willis, Cleveland Development Advisors	Bridget Topazia Grant, Management Services Partners
Yvette Ittu, Cleveland Development Advisors	DeJuan Washington, Management Services Partners
Keisha M. Gonzalez, Cleveland Foundation	Chris Howse, National Association of Minority Contractors Northern Ohio Chapter
Matt Grimes, Cleveland Guardians	Lisa Bottoms, National Association of Minority Contractors Northern Ohio Chapter

Neil Weiss, Cleveland Guardians	Shakorie Davis, Next Generation Construction
Adam Trumbo, Cleveland Neighborhood Progress	Jenice Contreras, Northeast Ohio Hispanic Center for Economic Development
Edward Stockhausen, Cleveland Neighborhood Progress	Tiffany Jordan, Northeast Ohio Regional Sewer District
Kwame Botchway, Cleveland Neighborhood Progress	Michelle Rose, Ohio Means Jobs
Matthew Kibbon, Cleveland State University	Dominic Ozanne, Ozanne Construction Company
Alex Margevicius, Cleveland Water	Rhoni Thompson, R.L.Cole Ent., Inc,
Keith Laschinger, Construction Employers Association	Sandra Madison, Robert P. Madison International, Inc.
Alfred Fenderson, Construction Employers Contractors Assistance	Timothy Offtermatt, Rock & Roll Hall of Fame
Glen Shumate, Construction Employers Contractors Assistance	Zoe Ingram, Rock & Roll Hall of Fame
David Smith, Construction Smith Inc.	Antony Bonavita, Rocket Mortgage FieldHouse / Cleveland Cavaliers
Richard Yost Pace, Cumberland Development	Brian Linick, Sherwin Williams
Cynthia D Leitson, Cuyahoga Community College	Jeffrey Appelbaum, Thompson Hine LLP / Project Management Consultants LLC
Ricardo Leon, Cuyahoga Land Bank	Dean Vaughn, University Hospitals - Sodexo
Jeffery K Patterson, Cuyahoga Metropolitan Housing Authority	Goren Dillard, Urban League of Greater Cleveland
Ayonna Blue Donald, Enterprise Community Partners	Dione Alexander, Village Capital Corporation
Akil Hameed, FASS Management Real Estate Services	Phil Kerber, Whiting-Turner