COMMUNITY BENEFITS AGREEMENTS: A STEP TOWARDS WATER AFFORDABILITY

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**Community Benefit Agreement** - CBA is a contract created by the key partners involved in community development projects. The list usually includes a private developer, community-based organizations, public officials, and local government agencies.
COMMUNITY BENEFIT AGREEMENTS: SCOPE & BENEFITS

Scope
A typical contract defines specific benefits the developer guarantees to residents of the affected neighborhoods.

Benefits
The benefits can include well-paying jobs, affordable housing, childcare centers, health and recreational facilities, and educational improvements. CBAs can also involve the redress of harm.
COMMUNITY BENEFIT AGREEMENTS: WHY

Historical

The primary parties engaged in negotiations about development projects are:

- the developer,
- local economic development agencies, and
- public officials.

Now

The primary parties engaged in negotiations about development projects are:

- the developer,
- local economic development agencies,
- public officials, and
- COMMUNITY
COMMUNITY BENEFIT AGREEMENTS: WHAT’S NEEDED

- Organizational capacity
- Staffing
- Community feedback process
- Communication procedure
A LITTLE BIT ABOUT WATER

Water is a resource

Resource pricing is based on scarcity value
Prices increase substitution begins

Government is a regulator of natural resource
WATER PRIVATIZATION

Overview

- Privately owned water systems serve about 12 percent of Americans
  - This figure is **significantly higher** in Indiana and 14 other states with industry-friendly policies
- Fears caused by Flint’s lead crisis serve as a helpful catalyst for private water system ownership. (Richard Verdi, Analyst for Ladenburg Thalmann Financial Services).
  - Dow Jones U.S. Water Index begin rising in 2015 as Flint became national news.

Impact

- Cities
  - Can eliminate utility infrastructure related debt,
  - Increase city coffers,
  - Create jobs and provide other services,
  - Depoliticize rate increases
  - Sell water system(s) for appraised value as opposed to book value
- Citizens
  - Rate hikes
  - Often times complaints of poor service
  - Cost of litigation to regain control
WATER AFFORDABILITY

International Water Affordability Protections

France:
In 1990 passed laws to guarantee access to water
No cut off’s to homes with children or elderly

Belgium (Brussels):
Disconnections are allowed in the Brussels region after a court decision, provided that the water meter serves a single housing unit.
Cut-offs are only allowed during a certain period (from the 1st of April to the 30th of June and from the 1st of September to the 30th of October)

Scotland:
disconnections are not allowed if the water is used for domestic purposes.

United States Water Affordability

- Cut-off’s are allowed.
- Income based programs provide assistance for those that apply and qualify
- No federal laws establish affordability standards designed to protect against water rate hikes or overall ensure affordability
- States and local governments are and must fill the gap
BRINGING IT ALL TOGETHER

Community Benefits Agreement (how can they help)

- Front-end input
- Commitments to the community
- Ongoing community involvement
- Community oversight
- Community enforcement

Legality of CBA’s

- Koontz v St. John’s River Water Management District

  local government conditions placed on a development project on an ad hoc or adjudicatory basis as a part of the land use approval process must have an essential nexus with and rough proportionality to the impact of the project that the condition is intended to address.

- Not applicable when: government is in a contractual relationship with the developer,