

DATE: April 8, 2016

TO: Board of Estimates

FROM: JDS Racial Equity Analysis Team

SUBJECT: **Judge Doyle Square Requested Analysis**

Introduction

The Racial Equity and Social Justice team was asked to participate in an equity analysis of the four proposals considered by the Board of Estimates as of March 9, 2016. Some of the ways in which a relatively large-scale development like this might have a beneficial impact on communities of color and people living in poverty in Madison include:

- Building income through employment and assets creation - connecting development with local-hire and living-wage job provisions, childcare, retail, transportation, and other amenities.
- Contracting – establishing expectations for hiring of MWBEs; supporting business owned locally by people of color.
- Establishing the development as a hub for other resources – building on a central development to support growth of additional amenities and employers like childcare, healthcare, entrepreneurship, retail and entertainment.
- Targeting revenues toward investment in future affordable & low-income housing – within the parameters of the TID.

(Sources: <https://www.policylink.org/equity-tools/equitable-development-toolkit/economic-opportunity>
<http://fresc.org/wp-content/uploads/2013/12/TIF-III.pdf>)

However, this request by the Board of Estimates to complete this type of analysis does not follow national best practices related to racial equity work and we are not aware of equity analyses being used anywhere else in the nation for a redevelopment project of this magnitude. Thus, this report is simply intended to provide recommendations that may enhance the project, regardless of which developer is selected moving forward.

While detailed information was available for use by the team, the essential component of community engagement to allow for the intentional involvement of low-income populations and people of color in the decisions and discussions, limit the usefulness of the tool. Further, because the proposals did not originally utilize racial equity tools or considerations (given the lack of availability of the tools at the time of development of the request for proposals) the actual difference in racial equity impacts for the four proposals is anticipated to be limited.

This type of analysis is best utilized in application to policies and procedures related to planning and development decisions, or earlier in a development process, to ensure the needs of low-income populations and people of color are considered in creating the request for proposals at the outset. While it is always beneficial to pause at any point in the process and consider the impacts to those whose needs have been traditionally marginalized, the further upstream the analysis, the more likely the analysis is going to provide useful modifications to the decision making process. For this reason, we have included a few limited recommendations for further consideration related to this project, but have also included several recommendations related to the use of Racial Equity Tools in development and operations.

While the group recommends continued use of racial equity tools in analysis, it becomes problematic to perform these analyses without inclusion of low income populations and people of color. Further, this group would like to emphasize to decision makers that people of color and low income individuals or those representing their needs, were not provided the opportunity to speak to their own needs in the analysis related to this project. For more information on the scope, participants, and detailed analysis information, please see the attached comprehensive racial equity tool.

Concerns

Several concerns were articulated related to the requirement that the project go through this type of analysis at this juncture. Those concerns include:

- Lack of available resources for inclusion of people of color in analysis.
- Lack of available time for adequate analysis.
- Lack of ability to impact community inequities related to the limited scope of the analysis. Some of these potential impacts may include:
 - Availability of affordable housing in the downtown area.
 - Continued inequities in employment rates for people of color.
 - Continued inequities in wages/income in occupations that employ a larger percentage of people of color.
 - Continued inequities in construction and trades positions for people of color.

Again, it is always beneficial to pause and ask the questions being asked here, however, it is recommended that the tool only be used in future projects after successfully passing through the use of the RESJI scoping tool. It is recommended that the City establish widely-understood parameters and expectations guiding the use of racial equity analysis tools.

Recommendations/consideration related to the project

- Independent of which proposal is selected, create a task force to begin to increase representation of people of color in construction and trades in accordance with the disparity study published by the Department of Civil Rights in December of 2015 and continue further implementation of the recommendations of the study (www.cityofmadison/madisoncontractingstudy/).
- Consideration included the impact of the inclusion of a labor peace agreement for the operation of the hotel, given the documented wage differentials between union and non-union labor and the high participation of people of color in the service industry. The impact of this agreement is anticipated to be negligible, given that the City Attorney's Office reports the inability of the condition to be imposed in cases where there are not any public funds being invested in the private portion of the project, as well as no identified unionized hotels in the State of Wisconsin and the right to work law effective in the state.
- Both proposals included commitment to Targeted Business and Workforce Diversity Programs. The group recommends adding the requirement of utilization reporting for the selected developer to begin to track the impacts of development on participation in the construction and trades labor market of people of color and women after completion of the project.
- Both proposals include development of market value residences and market driven retail space. The project is not anticipated to provide services or housing for low income and people of color. As such, the space utilization for the specific proposals is not anticipated to have a significant racial equity impact. Regardless of the proposal selected, the utilization of Judge Doyle Square is anticipated to mimic the downtown area and its disparities.

- While the group anticipated finding benefit of one of the proposals due to the difference in the number of service industry positions, because those positions are often below living wage it represents continuance of wage disparities for people of color, although it does represent added employment opportunities. The anticipated wages and numbers of positions are attached; however, Vermillion was the only group to provide projection of anticipated employment opportunities post construction. The Department of Workforce Development includes a breakdown of the average wages of specific service industry positions for further consideration.

Recommendations related to the use of the Racial Equity and Social Justice tools

- Use of the Racial Equity tool in development of RFPs for development of projects.
- Use of the Racial Equity tool on policies impacting decisions, rather than the decisions themselves.
- Intentional inclusion of communities of color in analysis of projects regardless of location.
- Use of the scoping document related to RESJI projects and analyses to better filter requests for use of the tool.
- Development of guidelines related to community engagement efforts used in City processes to increase representation of diverse groups.
- Establish widely-understood parameters and expectations guiding the use of racial equity analysis tools.