

# Building a Just Baltimore for All: A Plan for a Fair Development Future

The markers of justice and equality are enduring, and they are no different today than in the past, and no different in Baltimore than any other city or town. Good jobs with decent pay, protection from discrimination and violence, adequate homes, good schools, access to health care without barriers, and an end to poverty; these are the hallmark of a society in which everyone can live with dignity. This vision is most eloquently detailed in the Universal Declaration of Human Rights, which the United States affirmed in 1948 but refused to apply during an era of Jim Crow and neglected to pursue at home ever since. Over half a century later we continue to struggle for equality and basic economic and social rights

Far from realizing the vision of justice and equality, Baltimore today faces a human rights crisis marked by deep injustices. Our city suffers from criminalization, racism and violence, as well as increasing income inequality and concentration of wealth. Decades of mass incarceration of poor people, with particularly astounding levels for Black communities, the continuous erosion of living wages, the defunding of public goods and increase in unchecked privatization have all combined to lead us to this moment of heightened crisis across the country and in our city.

The people of Baltimore have been severely harmed by these developments. Given these monumental challenges, applying Band-Aids is not enough. We must address the underlying structures of injustice that exclude and criminalize communities, impoverish our families, evict us from our homes and deprive us of access to water, heat and electricity. To do so, we must unite across all communities facing injustice in our city and across color lines, including Black, White, Latino, and Asian. We must end all economic injustice and structural racism in tandem. Seeking universal change for economic equity requires addressing racial disparities and consistently bringing a racial equity lens to policy proposals.

People in our city are denied a life with dignity when they are targeted by the police, deprived of jobs that pay a living wage, pushed out of their homes and neighborhoods, and lack quality education and health care. The people of Baltimore have not had a real say in the public policy decisions affecting their lives. They did not have a say when industries abandoned the city and investment dissipated. They did not have a say when developers came in and pocketed public subsidies. They did not have a say when decisions were made about how to police the city. In fact, the people of Baltimore have been decrying the city's poor policy choices for decades, but their voices have been ignored. The people of Baltimore are entitled, as are all people, to a response to this crisis that empowers

communities, reclaims democracy, and ensures the full range of human rights across the city.

We are proud to be part of a diverse movement for justice and human rights, and we offer this Plan for a Fair Development Future in this spirit, as a contribution — rooted in the history of our campaigns — to finding comprehensive solutions to Baltimore's crisis. We propose this plan as a first step toward ensuring dignified treatment for everyone and advancing our human rights to housing, living wage jobs, a healthy environment, and participation in our city's budget and revenue decisions.



We call for a Plan for a Fair Development Future that brings justice to our city:

- 1. Enact a Human Rights Charter for Baltimore.** We must commit to ending all forms of injustice and specifically address racialized discrimination in our city to protect the human rights of all communities and people. A Human Rights Charter would apply human rights principles to all city policies and practices and make all city employees and contractors, including the police, accountable to meeting human rights obligations.
- 2. Create permanently affordable housing and living wage jobs in neighborhoods most affected by injustice.** We must transform vacant, re-habitable houses into housing that is affordable for the lowest income families, controlled by communities rather than the private market. We call for redirecting public subsidies from luxury housing to a Vacant Housing Initiative, financed through a public bond, to create permanently affordable, community controlled housing and living wage jobs for residents, including for people with experiences of arrest or imprisonment.

**3. Hold private developers receiving public subsidies accountable to the public good.** We must require publicly subsidized developers to include permanently affordable housing in their projects, and to create living wage jobs for community residents. To hold developers accountable, we must also create mechanisms that are driven by workers and residents and have real market consequences for violations.

**4. Make city government's financial decisions fully transparent.** We must make city government's financial decisions, including tax breaks and tax incentives, fully transparent through economic development budgets, tax expenditure reports and a public web portal.

**5. Make Baltimore's budget and tax policies more equitable.** We must ensure that budget and tax decisions prioritize residents' needs and advance equity. Budget proposals must include human rights impact assessments, which require a racial equity analysis, and involve communities in decision-making.

**6. Ensure environmental justice and create green jobs in neighborhoods most affected by injustices.** We must ensure that no community is forced to suffer from pollution, waste, health hazards or other environmental injustices. Development policies must encourage the creation of green industries and jobs, and support them through public contracting, subsidies, and worker-ownership structures.



## THE CRISIS OF INJUSTICE

Baltimore is a city responding to abandonment by private investment in the decades after World War II, exploitation by racist federal, state and local policies, including real estate policies, experimentation by governmental anti-poverty programs with highly racialized discriminatory impacts, and imposition of social control measures such as mass incarceration and hyper-policing.

Economic development initiatives have funneled public resources to private developers, transforming industrial areas into luxury housing and tourist sites featuring

restaurants, retail stores, and other forms of hospitality and entertainment mostly for the well to do. Yet, work in these sectors, when available, is low paying, without benefits and hostile to worker organizing. New housing developments for the wealthy have hiked up real estate prices in certain neighborhoods. Baltimore's residents are pushed out, excluded from employment and educational opportunities and marginalized in a city catering to enclaves of the wealthy.

These failed development policies have caused a heavy human toll: 154,000 face foreclosure and eviction annually, and 4,000 persons are homeless. 40,000 homes stand vacant, a tribute to racist housing policies combined with failed economic initiatives. Despite decades of severe unmet human need, large-scale physical deterioration, lost tax revenues, and high costs of private subsidies, the city still clings to the failed development hope that only private capital's speculative housing market can solve the crisis.

Over 60% of Baltimore residents cannot find jobs with wages sufficient to support their families<sup>1</sup>, and one in three Black men is without a job at all.<sup>2</sup> Almost one in four cited arrests or imprisonment as a barrier to employment.<sup>3</sup> The median per capita income of Baltimore residents is only \$23,267, and just \$17,000 for Black people, less than half of the already low \$35,778 per capita income of Whites in the city.<sup>4</sup> Baltimore City also suffers from substantial health disparities, with low-income communities facing disproportionately poor health outcomes compared to wealthy neighborhoods. Residents of Baltimore's wealthy neighborhoods live decades longer than residents of poor neighborhoods.<sup>5</sup>

These injustices are the result of an economic "development" path that has been paved with city subsidies. Private developers have benefited from municipal grants, bonds, low- or no-interest loans, tax increment financing, payments in lieu of taxes, tax breaks, low or no-cost leases, discounted land conveyances and other public aid. All of this has been done with little public information, public oversight, or public participation, and at the expense of funding much needed public services. To date, this type of development has aided primarily private developers and real estate speculators, while most city residents are struggling to meet their needs and face marginalization, criminalization and exclusion.

<sup>1</sup> <http://www.opportunitycollaborative.org/report-barriers-to-employment/>

<sup>2</sup> <http://www.washingtonpost.com/blogs/local/wp/2014/05/14/fact-check-ganslers-dramatic-line-on-unemployment-in-baltimore/>

<sup>3</sup> Id.

<sup>4</sup> <http://www.city-data.com/income/income-Baltimore-Maryland.html>

<sup>5</sup> <http://health.baltimorecity.gov/node/231>

## OUR RESPONSE: A PLAN FOR A FAIR DEVELOPMENT FUTURE

Developing enclaves of privilege while marginalizing communities and cutting public services is profoundly unjust and inequitable. It violates the government's human rights obligation to use public policy and public resources to ensure everyone's dignity and meet everyone's fundamental needs.

By placing human dignity and need at the center of public policy, human rights standards offer measures for the success or failure of existing policies and help us envision alternatives. All people have a right to freedom from harassment, violence and inhumane treatment, just as we all have the rights to safe and adequate housing and work with dignity. Government has an obligation to safeguard these freedoms and rights of all people and to address the most urgent and deepest needs first. To meet these obligations, public systems and policies must share our resources equitably and provide essential public goods for all, while aiming for the greatest impact in the most disadvantaged and discriminated against neighborhoods. Successful development policies also require the active and meaningful participation of Baltimore residents. This will empower communities, increase responsiveness to needs, and enable an equitable sharing of costs and benefits.<sup>6</sup>

Human rights-based development — Fair Development — seeks to improve the well being of all city residents and communities and advance dignity and equity. It rejects a focus simply on increasing property values, which will not increase disposable income, just as attracting tourists will not solve the affordable housing crisis but only exacerbate speculative pressures. Human rights-based development takes into account the interconnectedness of all aspects of economic and community life in the city — dignified and safe relationships with the police, affordable housing, good jobs, quality public services, and environmental sustainability. Our Plan for a Fair Development Future is based on human rights principles, and it aims to help build a just Baltimore for all communities. It emerges from many years of community organizing and engagement with prominent development projects such as Camden Yards Baseball Stadium, the Inner Harbor, and the Fairfield incinerator plan.

## THE PRINCIPLES OF FAIR DEVELOPMENT

In 2013 the Fair Development Campaign set forth our human rights based Fair Development principles. We believe that these can and should govern Baltimore city development policy today:

**UNIVERSALITY - Development must benefit all communities.** Universality is the principle that human rights be afforded to everyone without exception, regardless of race, gender, poverty, migration or any other status. Development shall increase all city residents' ability to access the resources required to meet their fundamental needs including good jobs, education, health care, food, housing, and social security, and shall address these needs in a coordinated way. No single development goal shall be pursued to the detriment of other community goals. Development must not result in the displacement of persons or communities.



**EQUITY - Development must address the greatest needs.** Equity is the principle that public policies must enable equality of opportunity and outcome with regard to meeting human needs. Development policies must prioritize populations and communities that have the greatest need and that historically have faced the most oppression. City residents shall get priority for jobs that pay living wages, protect the right to organize, guarantee workplace protections and benefits, and city communities most in need shall get priority for resources for transportation, fire services, recreation, information technology, housing, health, social services, workforce development, and education.

**PARTICIPATION - Development must be democratic.** Participation is the principle that government must engage people and support their participation in decisions about how their human rights are ensured. Development decisions on the provision of public contracts, subsidies, tax expenditures, tax increment financing, et al, shall be made using processes whereby meaningful input into all phases of development—including formation, implementation, and monitoring—is facilitated for all city residents and relevant stakeholders. Any community services created or affected by development shall enable their users' participation in decision-making, and any jobs created or affected by development shall enable workers' participation in decisions relevant to those jobs.

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<sup>6</sup> DRD, Preamble.

**TRANSPARENCY - Development must be transparent.** Transparency is the principle that government must be open with regard to information and decision-making. Public subsidies for development must be discussed, decided, implemented, and monitored in an open, easily accessible manner that maximizes examination and review by city residents.

**ACCOUNTABILITY - Development must be accountable.** Accountability is the principle that mechanisms must exist to enable enforcement of human rights. It is not enough to merely recognize rights; there must be a means for holding government and private actors accountable for failing to meet human rights standards. Public representatives and publicly subsidized developers are under a duty to engage in development that is universal, equitable, participatory, transparent, and indivisible, and shall be held responsible for breach of that duty by an effective means of redress and remedy. City residents, particularly those most affected by development projects and the allocation of public subsidies, shall exercise direct oversight over development decisions involving any type of public subsidies.



## **THE PLAN FOR A FAIR DEVELOPMENT FUTURE**

The Fair Development Plan seeks to advance justice, dignity and equity in Baltimore with specific policy recommendations that are guided by human rights principles and designed to address the deep racial injustices surfaced in the most recent public outcry against police violence.

### **1. Place Human Rights, with the central principles of Racial and Economic Equity, at the Core of Baltimore's Vision, Policies and Practices by Enacting a Human Rights Charter.**

Securing the human rights of all Baltimore residents starts with a strong vision and a commitment. At the heart of our government should be the values that connect all people and communities: fairness, equity, respect and dignity.

When these values are embedded in our institutions and realized through policy and practice, then our city can work to overcome the structural inequities that have plagued us for far too long.

A Human Rights Charter, amending the city's existing charter, would provide city residents with new protections against discrimination, racial and gender inequity, arbitrary arrests, and police violence, and set the framework for development policies based on the five human rights principles of universality, equity, participation, transparency, and accountability.

These new human rights protections would guide the development and implementation of public policy and public services, including the work of public employees and police officers. The current City Charter is a sterile, functional document without principles by which to guide and evaluate public policies and public services. To hold our government accountable we need to integrate basic human rights principles into the daily work policies and practices of both employees and city contractors.

Proposed actions:

- The City Council should convene a participatory process to help draft a Human Rights City Charter Amendment.
- This amendment should be passed by the City Council and put on the 2016 Election ballot for voter approval, or
- Voters shall gather the legal requisite signatures to for a City Charter Initiative that will appear on the 2016 City Election ballot for approval.
- The city, after passage of the amendment, will institute a human rights information and education program that provides human rights guidance and training to all public employees and contractors to ensure city policies and practices adhere to the human rights obligations of the City Charter.
- The proposed human rights guidance should include new public contracting requirements that tie the provision of public contracts and public subsidies to the contractor's fulfillment of human rights conditions.

### **2. Ensure Housing Affordability and Create Living Wage Jobs through a \$200 Million Municipal Bond funded Vacant Housing Initiative.**

To create stable and affordable housing and good jobs in communities most affected by Baltimore's human rights crisis, the city should fund an innovative Vacant Housing Initiative to demolish useless vacant housing and rehabilitate the remainder into non-speculative housing that

meets community-housing needs. The initiative would employ community residents to turn the vacant housing into green spaces, parks, recreation areas, community solar installations, and permanently affordable non-speculative housing. All residents should be empowered to fully participate in re-development decisions through neighborhood or Community Land Trusts (CLTs). Decisions about demolishing vacant housing should be made by CLTs.

CLTs are non-profits that hold land for the benefit of certain neighborhoods or communities, and are democratically controlled by residents, often with the support of and a formal role for government and other community stakeholders. The Vacant Housing Initiative would direct vacant housing to CLTs and provide support and funding to assist these CLTs in planning and executing redevelopment. CLTs already exist in over 200 cities in the United States, outperforming existing government homeownership and rental assistance programs, retaining public subsidies in housing over generations, and creating new community institutions that encourage community cohesion and provide a meaningful way for residents to participate in their community's development.

Residents should be supported in participating directly in all stages of development through CLTs. This would entail a significant job creation program, whereby community members, particularly those who face employment obstacles—including histories of imprisonment or arrests—would be trained to rehabilitate and abolish vacant housing and to manage CLT housing and property.

If all of the proceeds of a \$200 million Vacant Housing Initiative bond were used to rehabilitate housing, approximately 2,000 to 3,000 vacant units could be transformed, creating 6,000 jobs—a significant first step.<sup>7</sup> If bond funds also followed currently planned re-investment in public schools in communities with high concentrations of poverty, the impact and community retention of public subsidies would be multiplied and available to subsequent generations.

Proposed actions:

- The Mayor and City Council should include in the next city budget a \$200 million municipal bond for a Vacant Housing Initiative to be approved by voters.
- The bond proceeds should be:
  - Earmarked for planning and execution of vacant housing demolition and rehabilitation directed by

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<sup>7</sup> Estimates provided are derived from discussions with developers and others in Baltimore, and vary with the amount of rehabilitation needed.

neighborhood-based CLTs and provided by non-profit developers;

- Directed at addressing the most severe unmet needs of the community first, particularly for decent housing; and
- Allocated across city neighborhoods based on equity considerations.
- The city should adopt public acquisition and disposition strategies to transfer vacant properties to CLTs.
- The city should establish accountability benchmarks for the Vacant Housing Initiative that focus on meeting the housing and employment needs of current residents, and should engage in a transparent and participatory process that creates and monitors these benchmarks.



### **3. Adopt a Public Accountability System that Requires Private Developers Who Receive Public Subsidies to Create Living Wage Jobs and Affordable Housing for Communities Most Affected by Injustices.**

All public subsidies for economic development should create good jobs for residents and guarantee work with dignity. This can be done through public policy—city law that conditions subsidies on these agreements—or through a publicly facilitated mechanism that requires developers to enter into Community Benefits Agreements (CBAs) with affected neighborhoods. Such laws or agreements should require any private developer receiving public subsidies to hire city residents, pay living wages, and guarantee the right to organize. It should prohibit excluding first source workers, Baltimore residents, because of interactions with the criminal justice system, in particular given that those interactions are often highly racialized. It should also include a worker and resident driven oversight and monitoring system with real market consequences for violations.

Public subsidies specifically for housing developers should require those developers to abide by a revised Inclusionary Housing Ordinance. Available evidence indicates that Baltimore's Inclusionary Housing Ordinance (IHO) is one of the least effective in the nation. A recent survey of 52 jurisdictions with IHOs nationwide indicated that the mechanism, which requires affordable housing set-asides from developers creating "market-rate" housing, had produced an average per jurisdiction of 1,460 units of affordable housing. Baltimore's IHO to date has produced 32 units.<sup>8</sup> In order to use this method to create affordable housing for extremely low-income and very low-income households, the ordinance must be amended dramatically.



Proposed actions:

- The City Council, with the Mayor's support, should enact legislation that attaches the following conditions to all tax increment financing (TIF), payments in lieu of taxes (PILOT), tax abatements, and any public subsidy that involves work:
  - First source hiring (Baltimore city residents) with no exclusions based on past arrests or criminal records;
  - Job quality standards (living wage, paid sick leave, 40 hour work week, no temporary hires, equal pay for equal work);
  - Labor peace requirement (worker organizing can take place without employer harassment, intimidation or interference); and
  - A worker and resident led oversight and monitoring system with real market consequences for violations.
- The Mayor should propose and the City Council approve amendments to the current IHO that make above-market rate housing developers accountable to providing a fair share of affordable housing utilizing CLTs when possible.

<sup>8</sup> Rusk, D., Shirey, S., and Abel, B., "Inclusionary Housing Survey: Measures of Effectiveness – 2010", Innovative Housing Institute, Baltimore, MD, 11/10, <http://www.inhousing.org/wp-content/uploads/InclusionaryHousingSurvey2010.pdf>

#### 4. Make City Government's Financial Decisions Fully Transparent.

Transparency is the precondition for developing a functioning democracy with informed and engaged citizens. Baltimore's city administration should create maximum transparency of all financial decisions relating to budget and revenue policymaking, including contracting, as a foundation for increasing participation and accountability. Transparency will bolster any subsequent initiatives designed to advance equity and universal well being in Baltimore City.

Proposed actions:

- **Prepare an annual Tax Expenditure Report.** The city should compile an annual report on total amount of property, sales, and other taxes lost during the year as a result of tax abatements, exemptions, credits, and deductions. It should disaggregate this information by type of taxpayer (individual, business, non-profit, etc.), corporate/institutional recipients (although individual exemptions and credits should not be disaggregated), and by program, credit type, deduction, etc. Tax Increment Financing and payments in lieu of taxes (PILOT) should also be included. The report should specify the purpose of the tax expenditure and track its performance. For example, if the goal of tax expenditure is to create jobs, the report should specify the number of jobs projected to be created and actually created, as well as wage and benefit levels.
- **Prepare an annual Unified Economic Development Budget.** The city should compile a budget document that shows all economic development activities that are occurring or planned for Baltimore City and how these are being funded. This should include activities by different agencies and organizations related to development in the City, such as the Baltimore Development Commission, the Baltimore Convention Authority, the Housing Authority of Baltimore City, the Maryland Stadium Authority, the Maryland Health Facilities Development Authority, and the Maryland Department of Economic Development. This budget document should accompany the general budget proposal in the appropriations process.
- **Create a user-friendly web portal** that includes all of the above information and gives residents the ability to search detailed information about government contracts, spending, subsidies and tax expenditures for all public entities:<sup>9</sup>

<sup>9</sup> The following suggestions are informed by the best practice standards developed by U.S. PIRG; see U.S. PIRG Education Fund, *Transparency in City Spending: Rating the Availability of Online Government Data in America's Largest Cities*, January 2013.

- Include an easy-to-understand budget, at all levels of detail.
- Include details on contracts, grants, subcontracts and discretionary spending:
- Disclose the value of all government payments to vendors, for current and previous years;
- Disclose details on the goods or services provided to each city office, or a copy of the contract for each payment; and
- Disclose all bids for each contract rather than just the winning bid.
- Include the city's quasi-public agencies, such as the Baltimore Development Commission and the Housing Authority.
- Include tax expenditures (tax-increment financing, tax credits, exemptions, incentive-based abatements and other tax subsidies):
- Disclose the value of all tax credits and exemptions awarded to each company, in addition to the aggregate value of a tax expenditure program or project;
- Disclose tax expenditures from all programs and sources, including tax increment financing, incentive-based property tax abatements, and subsidies for job creation and other economic development goals; and
- Specify the purpose of each tax expenditure and track its performance.

## 5. Make Budget and Tax Policies More Equitable by Adopting Human Rights Budgeting.

To advance equity in Baltimore City and address all communities' needs, the city should adopt a human rights budgeting process that includes equity impact as well as needs assessments. Human rights budgeting seeks to anchor policy decisions in the values, rights and needs of communities, and it combines participatory budgeting with clear accountability principles, which could be based on a Human Rights Charter Amendment.

The different components of this approach could be implemented successively, yet they work best in concert. A meaningful process of direct public participation will enable the residents of Baltimore City to have a direct say in budget and revenue decisions, setting spending priorities and developing specific spending and revenue initiatives. Annual needs assessments, conducted by a community-led expert panel, will ensure that budget proposals are prepared on the basis of needs. The impact of budget and revenue policies will be measured through an indicator system, based on Fair Development principles, that enables the administration to collect and present evidence of progress to its residents.

## Proposed actions:

- Set up a meaningful, direct process of public participation in the development of the budget.
- Appoint a needs assessment panel that measures unmet needs in Baltimore City.
- Conduct equity impact assessments, based on a human rights indicator system, to monitor the efficacy of budget allocations in advancing equity, including racial equity, and meeting needs.
- Conduct a human rights impact assessment of all public subsidies, tax expenditures, TIF projects, debt measures and other public financing tools.



## 6. Ensure Environmental Justice and Create Green Jobs for Neighborhoods Most Affected by Injustices.

No community or neighborhood in Baltimore must be forced to suffer from pollution, waste, or health hazards, or other environmental injustices. Yet, toxic living environments are ubiquitous in poor neighborhoods, which are mostly neighborhoods of color. Current, Baltimore city is heavily reliant on incineration, burning 90% of its municipal waste and with a recycling rate hovering around 20%. Air pollution related deaths in the city exceed its homicide rate by four times.<sup>10</sup> Building on the momentum of the Fair Development Campaign to stop the Fairfield incinerator project, the city must pursue zero waste and energy policies. The city must also ensure that environmental and energy policies that it adopts equally protect the health of all communities and respond proactively to the climate crisis. Baltimore has the opportunity to aggressively pursue truly health, sustainable

<sup>10</sup> <http://www.citypaper.com/bcp-blog-18798-20130830,0,1244537.story> (quoting a report in *Atmospheric Environment*).

and equitable energy and waste solutions.

Baltimore's abundance of industrial property gives it a natural advantage over other mid-Atlantic cities in attracting green industries requiring land. Additionally, after many years, Maryland state legislature recently passed community solar legislation allowing communities to own, operate and build wealth from solar energy production. Finally, the state is investing heavily in school renovation and construction that will retrofit schools for rooftop solar panels. Green development should be prioritized and done in accordance with Fair Development principles, favoring the hiring of residents affected by injustices and supporting community participation and community wealth building via cooperative ownership models.

development of solar and zero waste businesses on the Fairfield peninsula).



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[NESRI has reached out to over 17 organizations that have committed to endorse the plan and will be holding community dialogues to continue broadening support for human rights-based development in Baltimore.]

Prepared by the National Economic & Social Rights Initiative and United Workers, 2015.

Proposed actions:

- The city shall conduct a health impact assessment of city neighborhoods to determine which are disproportionately bearing the negative side effects of development, using public health and environmental data, including sampling housing and soil for lead content and measuring air and water quality.
- The city shall require Community Benefit Agreements and Community Veto for any city subsidized project reasonably expected to produce disproportionately high and adverse human health or environmental impacts, including social, esthetic, economic, physical, chemical, or biological impacts in the host neighborhood.
- The city shall use its policy tools to encourage, incentivize, and subsidize clean energy and other green and sustainable industries including zero waste initiatives (recycling, reuse industries).
- The city shall support green industries that can be community or worker-controlled, fully utilize Maryland's community solar legislation (HB 1087/SB 398); incentivize investment in such (for example, the