

# THE UPSIDE OF EQUITY

Bay Area developers and community leaders  
are working to ensure equitable access to opportunity



## A vision for the future



In 1969 Raymon Dones (right) and business partner Joe Debro founded the National Association of Minority Contractors (NAMC), which today is the oldest minority construction trade association in the United States.



Above top: (from left) industry legends Hal Ellis (of Grubb & Ellis) and John Williams with Mayor John Reading in front of the newly completed Oakland City Center Office Building Phase I. The City Center project achieved unprecedented levels of minority contractor and local minority workforce participation, a strategy that was copied in urban areas throughout the US.

Above: Raymon Dones speaking at a NAMC awards event. NAMC works with major corporate partners, strategic alliances, and public agencies.

Left: Raymon Dones at the City Center Clorox headquarters. Dones left a lasting legacy in construction as well as in advocacy for contractor and workforce equity.

# the WHY of Equitable Development

## Mapping a process where everyone wins

**T**he traditional flow of real estate development has remained consistent for many decades. It is a simple business model, and from design through construction, one that invariably favors those with deep pockets and political connections.

The needs and views of the communities where development projects are planned are often neglected, if they are acknowledged at all. And sadly, in our region, the gleam of the growing skyline is often offset by the accompanying growth of nearby homeless camps.

The result is a development process that often gets tangled in red tape, NIMBYISM, community protest, lost time and money.

Another way is possible. One that benefits everyone, from the developers to local governments and the communities they serve.

Embracing equitable participation in the evolution of the built environment holds a potential to create sustainable economic growth and provide health, safety, and quality of life benefits for everyone.

As our industry evolves to address today's challenges, real estate projects that embrace the goals of equitable participation will not only provide a great service to their communities, but will also financially outperform those that do not.

Alan Dones has made several notable contributions to the Oakland skyline, developing some of the most important buildings in the city's recent history with his company, SUDA. His father did the same 50 years before. Yet in the intervening decades only a handful of major projects have been completed by African American-led development teams.

Now Dones and his partners are working to introduce an initiative that will provide a roadmap toward more equitable real estate development. It will underline the upside of equity in the built environment. ■

**About the cover: Partners with SUDA in The Mandela Station or Eastline Projects (clockwise from top right): Victor MacFarlane of MacFarlane Partners; Regina Davis, SUDA partner; Jun Ji, general manager, China Harbour USA; Edward McFarlan, Principal JRDV Urban International; Alan Dones, SUDA co-founder and partner; Scott Smithers (left) and Drew Haydel, principals at Lane Partners**



Access to opportunity determines who builds Oakland's skyline.



# Innovation AND Activism

## Alan Dones and the SUDA Story

In 1972 a team of Black contractors made a lasting contribution to the Oakland skyline. The three twelve-story towers at the MORH Housing development in West Oakland were erected in less than 50 working days. The project received industry praise for its ingenuity, cost efficiency, and the stunning speed at which the structures were constructed. The buildings, and construction techniques, were widely replicated in the years to come.

It was the first major high-rise development built by a team of Black general and subcontractors in the city—and now, nearly five decades later, it remains the only one.

Alan Dones knows the MORH towers well; his father, Raymon, led the project that built them. Today, Dones is a contractor and developer himself—managing partner and co-founder of Strategic Urban Development Alliance, LLC (SUDA). Thinking back on the challenges that his dad's team, as contractors and developers of color in 1970s America, had to overcome on that project still takes his breath away, 48 years later.

"What they accomplished almost seems like an act of levitation to me now," Dones said.

His father, and his business partner Joseph Debro, had to confront deeply entrenched prejudice, first to enter the construction industry and then to find funding for their projects. Despite these obstacles, they built several groundbreaking projects, including a middle-school, a medical center and the 1,500 MORH residential units. Members of this cohort of minority contractors went on from those projects to complete numerous notable



Raymon Dones around 1975.

projects across the Bay Area. "To achieve all of this they utilized a combination of hard work, innovation, and activism," Dones said.

With SUDA, Dones has led some of the most important and significant building

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**“What they accomplished almost seems like an act of levitation to me now.”**

**Alan Dones**, on the work of his father and other contractors and developers of color facing systemic racism in 1960s and '70s Oakland.







“There’s nothing more impactful than a construction crane going up to signal positive change is coming.”

Alan Dones, co-founder of Strategic Urban Development Alliance, LLC

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projects in Oakland’s recent history. But when he considers the achievements of his father, and Black contractors and developers of that generation, he cannot help wondering why the development picture has changed so little in the intervening years.

“We have not yet, as Black contractors, been able to get back to that place, of constructing high-rise buildings on our own,” said Dones. “It was during the mid 1960s that opportunities started to open up for a short time. There was a moment of hope and expectation . . . but we still haven’t gotten back to that point.”

From Journeyman to Contractor

Dones has worked at all levels of the development sector. He came up through the trades, cutting his teeth delivering materials to job sites, as an apprentice electrician to journeyman tradesmen; and then progressing into supervision and management, before becoming a contractor and then a developer. “I’ve had a look at the construction world from many different vantage points,” he said.

Dones acquired his own General Engineering & Building Construction contractor’s license in 1988. But many of the systemic barriers that had stood in his father’s path remained. In response, Dones developed new construction techniques, and established a reputation as an innovative contractor.

He marketed his services in large urban cities presided over by Black public officials who desired to see more diversity in public

works contracting and employment. “These officials would let me get my foot in the door—and allow our outside-the-box innovative techniques to be afforded objective evaluation,” Dones said.

In one of his early entrepreneur-contractor ventures, Dones developed techniques for restoring failing underground drainage pipes—without digging them up or taking them out of service. This minimized traffic disruption and saved taxpayers millions of tax dollars.

“We actually started repairing large-diameter underground sewer lines that were starting to collapse over many years of neglect,” said Jon Ball, former District Manager and Vice President of Northern California for Hensel Phelps. “We partnered with Alan to help him deploy his proprietary techniques,” Ball said.

Through his expertise and innovations, and partnerships with firms like Hensel Phelps, Dones was able to compete ‘head-up,’ without the benefit of affirmative action programs, and complete projects profitably—even though his bids were often lower by 25% or more than those of competitors using traditional methods. Over time, Dones was able to provide introductions into the industry for people and companies who were struggling for access. He recognized the power that equitable participation carried for all sections of society, and how furthering diversity carried both social and economic benefits.

Dones competed in the public works construction industry throughout the ’90s. But even with the cost-saving benefits his proprietary techniques created for the public purse, access to capital and resources remained tough. “I felt I needed more

Thomas Berkeley Square:  
A catalyst for Oakland prosperity

When construction of Thomas Berkeley Square started 2004, it was the first major construction crane erected in the Uptown District of Oakland in over three decades. Eighteen months later, Mayor Jerry Brown allocated \$60 million in redevelopment funding to the Uptown Apartments project. This was the beginning of a renaissance of Uptown Oakland. Today the district is virtually unrecognizable. Since the completion of Thomas Berkeley Square in 2006, SUDA has continued to grow, with notable projects across the Bay Area and as far away as Ghana. SUDA is currently working on two of the most important and innovative developments in Oakland: the Eastline project in Downtown and the Mandela Station project in West Oakland.



control over my own destiny,” Dones said. So at the turn of the century he decided to pursue real estate development.

Highly qualified, yet denied access

SUDA started in 2000 when Bank of America’s local Community Development Division offered Dones a joint venture to help meet their community reinvestment act commitments.

Dones and BofA pursued three projects together, including the Alameda County Social Services Building, with the bank providing the pursuit capital and Dones devising the investment strategies.

The JV projects were progressing until, in 2001, BofA disbanded its local Community Development Division.

“Losing a deep-pocketed partner presented both challenges and opportunities,” Dones said. He negotiated exit terms that saw BofA convert its investments in the joint venture into a secured loan. Dones and his SUDA partner John Guillory were then able to move forward on the development of Thomas Berkeley Square on their own.

The departure of SUDA’s deep-pocketed partner meant Dones had to devise creative ways to finance the balance of the mixed-use site, complete entitlement, and raise the equity and debt required to move forward with the \$70 million project.

“If you’re not part of the network you have a challenge of getting in and convincing the gatekeepers that you can be trusted with their money,” said Michael Banner, President and CEO of Los Angeles LDC, Inc., and a former banker, who worked with Dones on the project. “For my mind, Black people have a much more difficult time getting capital,” Banner said. “They are usually offered less money with more onerous terms and conditions, which almost sets you up for the possibility of failure. For those who don’t have to deal with that, it’s easier to be successful.”

When the project broke ground in 2004, it was the first major construction crane erected in the Uptown District of Oakland in over three decades. The result transformed the city. Months later, Mayor Jerry Brown allocated \$60 million in redevelopment funding to start the Uptown Apartments project.

“There’s nothing like the impact of a construction crane to signal positive change is coming,” Dones said. “Uptown today is almost unrecognizable from 20 years ago.”

For Dones, though, completing that project has underlined many of the challenges business people of color face in public works and land use. To date, this remains the only major project that an African American team has built as a prime developer/contractor for Alameda County. Since the completion of Thomas Berkeley Square in 2006, SUDA has continued to grow, with notable projects across the Bay Area and as far away as Ghana. Today, Dones is working on two of the biggest projects in Oakland, the Eastline in Downtown and Mandela Station in West Oakland. But getting to this point with limited access to capital has been beset with obstacles. And oftentimes Dones would be the only person of color in a room of decision-makers.

Influence, Leverage, and Legacy

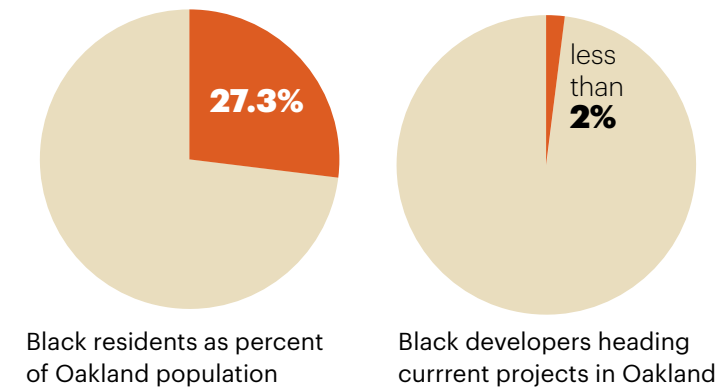
Who designs the built environment, who constructs, maintains and owns it, which businesses operate in it, who uses it, all contribute to its legacy. Who makes the decisions on a project defines how it fits into the local economy and beyond. The traditional real estate development process has outcomes that perpetuate inequality—and limiting opportunity for some is detrimental to all.

“There’s definitely a lack of diversity in who’s representing all these projects,” says Peter Weingarten, co-Managing Director of Gensler’s San Jose office. “When you scroll down the list, there isn’t a lot of diversity in terms of who the leads are. And I think it’s true that the more participation there is from the broader community, the better it’ll ultimately be.”

Dones uses the example of Jackie Robinson to explain this. What would America’s pastime look like if Robinson hadn’t broken the baseball color line? A world where only white men played the sport would not only deprive people of color the chance to participate, but also compromise the quality of the game itself.

A share of the pie

The City of Oakland publishes the details of the city’s large, on-going development projects online. 131 were active as of March.



Players, owners, and fans would all be denied the benefit of a more competitive product. And everyone would lose.

“I’ve always felt that Babe Ruth was cheated of the historical legitimacy of his records by having played in a league where artificial and discriminatory barriers limited true competition—and perhaps even performance,” Dones said.

For Dones, the goal in real estate development is to see increased equity result in more projects breaking ground, more cranes in the sky and greater business activity. The point is not to reallocate existing resources but to increase them. Bringing more people to the table, and cutting up bigger pies.

“Inequality retards the potential economic robustness of the city,” Dones said. “It means that everyone, white as well as people of color, has to struggle more for a piece of a smaller pie.”

Building on the past for a better future

The Oakland skyline was changed by the innovation and activism of Raymon Dones and his contemporaries. They strove to make the city a better place to live and work for all residents. And they accomplished great things.

But in many ways their legacy was not expanded upon. A generation of Black contractors who were trying to make it in the construction field still failed to penetrate the systematic barriers to entry.

“These guys were best in class,” Dones said. “The electrical contractors, the plumbing contractors, the mechanical guys... Many died young, in their 50s, late 40s, from the stress of broken hearts. Sadly, it’s what often happens when people are robbed of their economic dignity and their ability to feed their families and to express themselves fully.”

The true tragedy is that the world was denied their ingenuity, creativity and game-changing vision.

A LEEP forward

Now, Dones is working on a new innovation that he’s been preparing for his whole professional life. It’s a plan to cement the values of fairness and equity for people of color into the construction and real estate development process.

It’s called Leadership in Engineering Equitable Participation, or LEEP. “It provides a roadmap for engineering equitable outcomes into the DNA of building projects from their outset,” said Dones. Towards this end LEEP will also provide a nationally recognized rating and certification process that communicates a project’s implementation of socially responsible development practices.

“The ultimate goal for LEEP,” Dones said, “is for equitable participation to become as common a practice in real estate development as other priorities, such as ADA compliance, seismic safety, and environmental sustainability.” The details of the LEEP initiative are revealed in the following pages. But for Dones, it is simply “a way to ensure the economic health and wellbeing of our society and improve quality of life for everyone.”

Everyone benefits from an equitable economy. ■



# What is LEEP?

## Developing a standard for measuring equity

**T**he Leadership in Engineering Equitable Participation initiative will provide a roadmap toward equitable real estate development. Along the way it will help unlock many of the systemic issues that have been inherent drivers of inequality and discrimination. By combining equitable land-use best practices and a score-card certification system LEEP will provide a powerful standard to evaluate what socially responsible and impact development looks like. The benefits for developers and communities will be manifold. The upside of equity is that everyone benefits and those gains will be intergenerational.

LEEP provides a set of guidelines and best practices for achieving equitable development. And a nationally recognized rating and certification process that communicates a project's implementation of socially responsible development best practices—practices that are responsive to the needs of the communities that surround any project.

The initiative is designed to engage public officials, developers, community leaders, and other real estate stakeholders in the social and economic benefits of equitable development. The result would be a national standard with global potential.

Like the LEED certification, LEEP would include graded levels such as Platinum, Gold, Silver, or Bronze. Understanding a building's contribution to equity and inclusion, its relationship to its community, and the people who worked to bring it to life would become measurable.

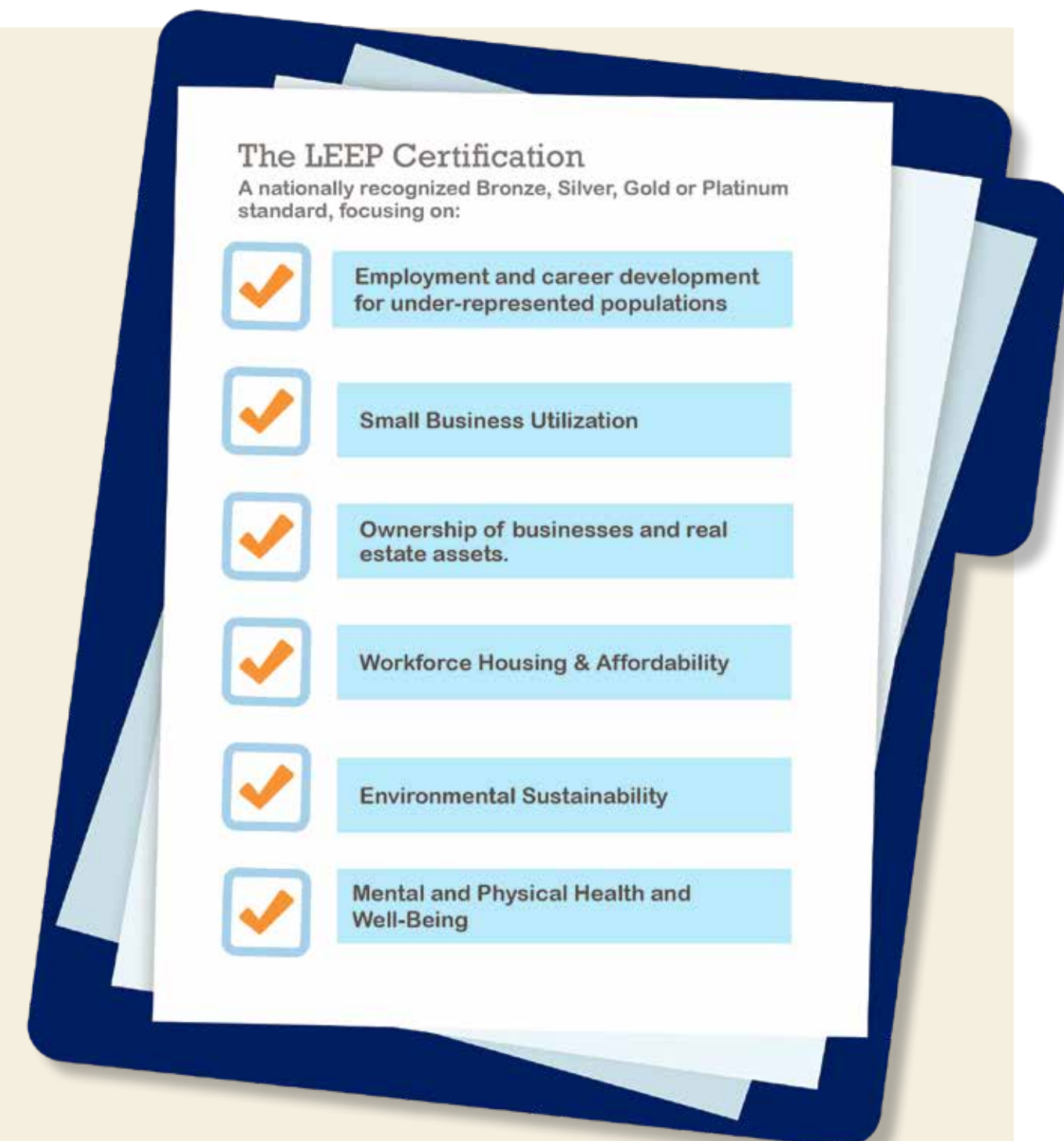
LEEP has received attention from exalted sources such as Cardinal Turkson, an influential Vatican official who is an active supporter of the initiative. Many of the LEEP goals are reflected in the *laudato si*, Pope Francis' second encyclical which emphasizes sustainable development and social justice.

Over recent months many people across the U.S. and abroad have protested police brutality and marched for racial justice. Many companies and CEOs are speaking out about those issues. Imagine the significance of a high-flying tech company taking residence in a building with equity at its heart, in West Oakland. There is an opportunity now for companies to match rhetoric with action and help create more equitable outcomes. ■

*To find out more about The LEEP initiative, send questions or comments to [info@leepbuild.org](mailto:info@leepbuild.org) or visit [leepbuild.org](http://leepbuild.org)*

**“What Alan is trying to do is sort of piggyback on the framework of the LEED scorecard to create the same surety with an equity scorecard. And that’s a really exciting thing to do because it facilitates a smoother process that everybody can trust.”**

**Peter Weingarten**, co-Managing Director of Gensler's San Jose office. Gensler is the design lead of the Eastline Project in Uptown Oakland.



### FIVE PARTS OF LEEP CERTIFICATION

**“The idea of engineering equity is something I’ve been developing on all our projects... Building into the DNA of all the projects these equitable outcomes.”**

**Alan Dones**, managing partner and co-founder of Strategic Urban Development Alliance, LLC (SUDA)



#### EARLY COMMUNITY ENGAGEMENT

**1** Developers seeking LEEP certification will adopt and contribute resources to enable early and ongoing community engagement from inception through every stage of the development process. Early and consistent outreach will identify community feedback, desires, and concerns as development strategies and project designs are formulated and refined.

The engagement process will also:

- Articulate the proposed LEEP project's social equity goals.
- Familiarize the local community with the project's proposed design, engineering, and financial specifications through outreach.
- Advise local community of business and career opportunities associated with the project.
- Solicit community feedback on the planned strategies for meeting the social equity goals.
- Adjust, if necessary, the LEEP project's strategies to align with community-led social equity goals.
- Solicit financial and community support for meeting adjusted social equity goals.

#### TRAINING & EDUCATION

**2**

Proposed LEEP projects will provide communities access to educational resources for vocational training and business ownership opportunities. Access to training will potentially enable life-changing career opportunities for community members. LEEP project developers will financially support and develop training curriculums at local community colleges and universities, and offer apprenticeship programs. Active educational partnering will include the following:

- Vocational and professional training.
- Small business management & technical assistance.
- Wealth management and succession planning best-practices.
- Mental and physical health and wellness.
- Environmental sustainability techniques and practices.

#### FUNDING SUPPORT

**3**

The LEEP Initiative will attract social-equity funding resources such as grants, New Markets Tax Credits, Opportunity Zone Tax Credits, Cap & Trade Funding and Enhanced Infrastructure Finance District (EIFD). Proposed LEEP projects will identify and make funding sources available for equity initiatives. When appropriate, project sponsors will also be encouraged to produce proposals for such funding.

#### TRANSACTIONAL STRUCTURING

**4**

LEEP projects can help achieve diversity goals by implementing supplier-contracting tools such as joint ventures partnerships, contract-scope segmenting, mentor-protégé incentives, prompt pay, and wrap insurance. The LEEP initiative will curate and make available a compendium of contracting means and methodologies that facilitate consultant, contractor, and supplier diversity across the transaction value chain of real estate development. Utilizing such techniques will earn LEEP participants points toward their certification.

#### TECHNOLOGY DEPLOYMENT

**5**

High-tech facilities require cutting-edge technology during the design, construction, and operational cycle. Sometimes a developer might pilot a new technique on a new project. Innovation is everywhere. These new technologies provide myriad career and employment opportunities for local residents and historically underutilized small businesses. LEEP projects will make these technologies accessible to underutilized workers and businesses.



**THE PROJECT****50K sq.ft.**

Total amount of retail.

**240**

Number of affordable units.

**520**

Approximate number of market-rate residential units.

**7 minutes**

Minutes by BART from San Francisco's Financial District. Downtown Oakland is a 3-minute ride away, and Walnut Creek is 26 minutes to the east.

**“Affordable housing is a necessary part of any development as it contributes to diverse, equitable, and sustainable housing that communities need to thrive.”**

**Chan U Lee,**  
President Devine & Gong Inc.

# Mandela Station

Mandela Station is a mixed-use residential and commercial development at BART's West Oakland Station. The project is part of BART's overall plan to increase ridership and boost revenue, promote reverse commutes and contribute to the vibrancy of the area. The plan incorporated community input to ensure that this development reflects and celebrates the rich history and culture of West Oakland.

BART selected China Harbour Engineering Company (CHEC) after a competitive process to structure a public-private partnership for developing a mixed-use project on the existing West Oakland BART station parking area, a 5.5-acre site.

CHEC turned to a team of local partners—SUDA, with its track record of community engagement, and industry heavy-hitters MacFarlane Partners, Hensel Phelps Construction and Development, Devine & Gong, and JRDV to complete the project.

**EQUITY IMPACT****Respect for heritage**

A portion of the development will be set aside for use by public benefit organizations oriented toward continuing and promoting the cultural heritage of the community. Respecting West Oakland's cultural history is a key part of the development, reflected in designated arts space.

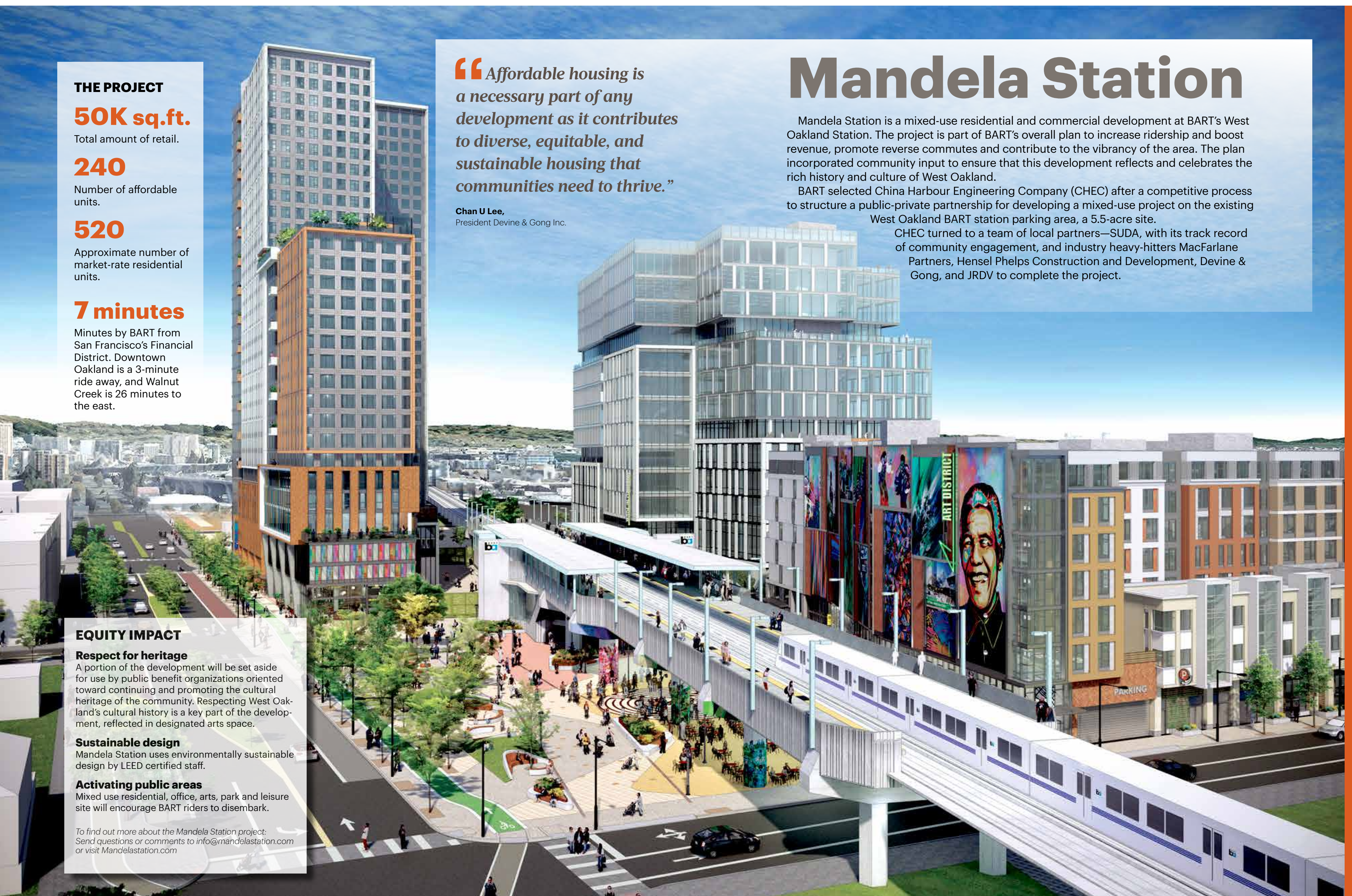
**Sustainable design**

Mandela Station uses environmentally sustainable design by LEED certified staff.

**Activating public areas**

Mixed use residential, office, arts, park and leisure site will encourage BART riders to disembark.

To find out more about the Mandela Station project:  
Send questions or comments to [info@mandelastation.com](mailto:info@mandelastation.com)  
or visit [Mandelastation.com](http://Mandelastation.com)





# The Upside of Equity

Transforming adversity into opportunity

Over recent years Oakland has experienced long overdue growth of its built environment. Much of this activity has been driven by the appeal of the vibrant, culture-rich lifestyle Oakland offers to people seeking alternatives to the high prices of San Francisco and Silicon Valley markets. However, even before the COVID-19 pandemic arrived, Oakland’s urban-core real estate development market was facing mounting challenges.

Land was becoming scarce. Already sky-high construction costs were holding steady (if not growing) due to strong regional subcontractor and labor demands. These factors, when combined with the flattening rents associated with San Francisco’s softening office and residential market, were making it increasingly difficult to get proformas to pencil.

NIMBY and political risks were also mounting. Many Oakland residents, small-business owners, and community groups associate what they see as the unbridled growth of Oakland’s skyline with rising levels of income inequality, displacement, and homelessness. Many civically active voters attribute the perpetuation of the so-

cial-economic problems to what they conclude to be the avarice and greed of the developers. Elected officials are subjected to intense political pressure from both business lobbyists and social activists.

But in recent history, the policy makers have been most inclined to err on the side of the demands of well-organized community activists. Major protests in the City Council chambers are once again raising the specter of additional taxes and fees being imposed on development.

Even before the pandemic, Oakland developers were not just facing the challenges of cyclical change but also, potential structural changes to market fundamentals that threatened to derail Oakland’s fledgling renaissance of economic development.

The developer community for the most part has been most inclined to react by simply resisting, or outright opposing, the fees and taxes. Developers have also been intuitively inclined to try to avoid what they considered to be “cost-prohibitive” programs and community economic benefit packages.

These developers have actively opposed the imposition of these often ill-conceived fees, taxes, and programs, by describing their project-feasibility-killing impacts, and further arguing that if/when their projects are rendered unfeasible, and don’t get built, the existing supply/demand issues at the heart of the housing crisis will only worsen.

No matter how practical and valid the developer’s supply/demand arguments are, they only come across as self-serving and fall on mostly deaf ears. Their concerns are drowned out in a City Council chamber full of upset protesters—many of whom are locked in desperate daily struggles to provide for their families.

In these scenarios the elected officials most often are unable to

“SUDA has been remarkable in how seriously they have listened to the West Oakland community, and how seriously they have treated the community participation requirement, unlike so many projects that have treated those requirements as mere annoyances.”

**Bruce Beasley**, artist. Beasley bought an abandoned factory in West Oakland where his studio facilities have since expanded to four buildings and over an acre of sculpture garden.

reconcile the long-term project economics against the short-term political risks. They feel particularly susceptible to accusations of deference to deep-pockets and negative headlines.

**Adversity to Opportunity**

SUDA has developed its business models and strategies around pursuing projects on the edge of the active urban core. In most cases SUDA has engaged in “pioneering”—developing in long-ignored neighborhoods that have substantial, but untapped, upside potential.

These emerging urban core locations comprise diverse communities of stakeholders, including many who have suffered historically from a lack of social economic opportunities.

**Mandela Station & The Eastline**

Motivated by practical necessity, as well as a sense of profound social responsibility, SUDA’s development teams for the Eastline and Mandela Station projects have embraced and implemented unprecedented community engagement practices to advance these massive public-private partnership transactions.

SUDA began the community outreach process for Mandela Station long before any designs had been drafted. At a now legendary public meeting, 51 local residents spoke about the project, and were unanimously in favor. This unprecedented support saw a zoning restriction limiting developments around West Oakland Station to a height of 100 ft. lifted and increased to 320 ft. Effective public consultation saves both time and money.

These projects have already harvested great benefits directly associated with SUDA’s commitment to, and

72

Number of community speakers at planning commission hearings for Mandela and Eastline projects.

0

Number who spoke against the projects.

substantial investment in, prioritizing equitable participation, and social responsibility, as well as achieving project economic goals. (see pullout below).

The Eastline project captured the imagination of Kaiser Permanente’s late CEO as the company considered their options for locating their world headquarters. Bernard Tyson became a champion for the Eastline project, and personally promoted it to KPs board. Even though KP’s ultimate tenancy did not survive the uncertainties of the COVID-19 crisis, their initial commitment to the project, provided important validation of our community-oriented development strategy.

“We remain confident that there are other prospective tenants with visionary leaders like Bernard Tyson to consider our bold project,” said Dones. “He understood that it is in the absolute best interest of his company, its members, and its shareholders, to embrace the principles of social equity in all aspects of their business, including meeting their space needs.”

Mandela Station has recently been qualified to receive over \$35 million in potential loans and grant funding through various state and federal programs. This funding fills a significant gap in our pioneering project’s economics and will hopefully take the project across to underwriting thresholds of the prospective equity and debt investors, delivering cost savings that can be utilized to attract prospective tenants to this ‘pioneering’ but ideally located location.

The projects have attracted the attention of global government, business, and religious leaders. They have been particularly drawn to the project’s innovations and its focus on achieving socially responsible outcomes together with attractive financial returns. ■



3 ways SUDA’s projects benefit from a community-oriented development approach

**1 Expedited entitlement hearings**

Mandela Station and Eastline, two unprecedentedly large and complex projects, received unanimous support of the planning commissioners on their first hearings. Between the two projects there were over 72 speakers from the local community, and not one speaker in opposition to either project.

The time-saving benefits gained by expedited and unimpeded public hearings have resulted in measurable cost benefits—unusual for what are typically heavily bureaucratic processes exposed to political opposition.

**2 Securing site control and development rights**

Both projects are being undertaken on highly sought-after, key transit-rich sites in Oakland’s urban core. Assembling and gaining binding control of these publicly owned sites required favorable legislative actions of multiple elected policymakers.

Both the Oakland City Council and BART Board of Directors have had to repeatedly deliberate over aspects of the transactions. With administrative support presided over by both Oakland’s Mayor and City Attorney, these projects received favorable votes, with overwhelming and unprecedented support of the local communities.

**3 Essential infrastructure designation**

At a time when other projects around the Bay Area are grinding to a halt due to the uncertainties created by COVID-19 pandemic, The Mandela Station project in West Oakland has been deemed ‘essential infrastructure’ due to its focus on achieving affordability and other social-economic outcomes. With its designation as a stimulus project, the West Oakland mixed-use development will help to usher in regional economic recovery.



# The Case for Equitable Development



*“It’s important that the industry itself tries to change from within, to change itself. Often the real estate industry is very engaged in changing communities—from the outside looking in.”*

Regina Davis, SUDA partner

When Amazon was searching for a new regional headquarters it encountered huge community resistance. The search process was protested by almost every community it approached. Rather than embrace the potential economic advantages that may come with a new tech-campus, Amazon’s quest drew demonstrations, public reviews and legal challenges. It was a textbook example of the roadblocks that can often beset a development project.

What could have been a win/win became a loss for both Amazon and the local communities. Why? Many would say it was because the developers did not grasp the importance of community consultation and involvement in the development process. Developers who fail to communicate with or consider the opinion of local communities risk delaying or derailing a project. Arguments about displacement and gentrification resonate in communities where little or no outreach surrounds a development. Both benefits and challenges have to be discussed and worked upon from the outset. To avoid such conflict over development plans, benefits and challenges that affect the community must be worked upon together. This is where LEEP has the potential to transform the traditional development pathway.

The LEEP initiative is a tool to assess, categorize, and course correct the equitable credentials of a particular development or developer. Step into any new building in California and the chances are you can check its environmental credentials. Since 1993 LEED certification has grown to become a globally-recognized standard. Businesses and developers embrace seeking the LEED credentials for a project. Buyers and tenants will often base occupancy decisions on a building’s LEED score. They could soon be making similar decisions based on a building’s LEEP certification. Through LEEP, a real estate project can be methodically and consistently evaluated along every stage of the development process. ■



Mandela Station development includes 240 units of affordable housing.

*“You can invest state or other public dollars in a way that yields a return to the state or the municipality, and at the same time, it improves the economic condition. That concept really resonated with me.”*

Donna Linton, Assistant county administrator for Alameda County, 1996 to 2014



The Mandela Station development drew on community input for its plans to activate the under-track area.



*“Gentrification is rife in the community. We all want to stay in West Oakland, nobody wants to leave. But money is more important than people now. It’s just hard for people to get a decent rent. And so Alan’s project is the only sun that we see in terms of affordability.”*

Monsa Nitoto, Oakland resident, community organizer and developer



*“The lack of diversity in real estate development reflects the institutionalized racism we experience in every sector of our society, which only denies us the full talent and potential that lives within our community.”*

Libby Schaaf, Oakland mayor

## A Tale of Two Cities

Of the 131 projects active in the City of Oakland as of March 2020, Alan Dones estimates that only two are led by Black development teams. This in a city with a 27.3% African American population. “There has to be reasons why this exists,” Dones said. “One of the things we want to do is just pull this up, and not only talk about the irony of that, but the cost,” Peter Weingarten, co-Managing Director of Gensler’s San Jose office, said. “There’s certainly a case to be made that we all benefit, in terms of real return on investment, when there is more balanced, diverse, just real estate development.” SUDA’s work on two of the most important and innovative developments in Oakland, the Eastline in Uptown and Mandela Station in West Oakland exemplify the contrasts of the modern real estate industry. For Dones, Oakland is a tale of two cities. There are the projects that proceed along the traditional development path, and that, whether by design or not, help perpetuate inequality, displacement and discrimination. And then there are the projects that follow a different roadmap, using an approach that fosters equity. Equitable real estate development saves time and money while increasing opportunity and furthering diversity. It increases opportunity for underrepresented people and competition within the industry. Quality and diversity are strengthened simultaneously. The bottom line is, everybody benefits from the upside of equity.

### Myths and misconceptions

There are two common myths about equitable development:

**Myth #1:** Equitable development is expensive

**Myth #2:** Equitable development is time-intensive

It is a myth that equitable development takes time and money. In reality the savings that stem from early community outreach, are both cost and time effective. Seeking community opinion as early as possible saves time later. Making community consultation a foundation of any development is one of the biggest cost saving measures a developer can make. Time is money.



THE PROJECT

\$15M

In estimated yearly tax revenue to the City

\$20.6M

Approximate one-time impact fees

800K

Square feet prime office space; large and small retail spaces

31K

Square feet of open spaces

# Eastline

Eastline is cutting-edge, multi-use space in the heart of Uptown Oakland. 2100 Telegraph comprises the city block of Broadway and Telegraph and 21st and 22nd Streets in the Art Deco quarter of downtown Oakland. The project is a partnership between SUDA, Lane Partners, and an institutional capital investor.

From the project's inception, the development team hosted numerous community forums with stakeholders from dozens of local groups. Afterwards, the project received unprecedented levels of public support. The overriding message from the community was that Eastline should reflect Oakland's diversity and uniqueness. The development team learned people want a mixed-use location that will expand retail options and provide affordability, walkability, safety, and access to open spaces for communal areas.

EQUITY IMPACT

50%

Of the businesses involved will be Oakland-based

50%

Of the project's work hours will be completed by Oakland residents (craft-by-craft)

50%

Of apprentice work hours on the project will be completed by Oakland residents

760

Construction workers will be employed, on average, during construction

4,600

Permanent employment opportunities in the new office, retail, and community spaces

To find out more about the Eastline project visit [Eastline.org](http://Eastline.org)







Developers of Eastline held numerous forums to gather community input and hear concerns both before and during the design of the project.

## Eastline: A case study in community participation

**O**ne early evening, only a few short weeks after securing the exclusive, but non-binding, negotiating rights to a highly sought after parcel of public land in the heart of downtown Oakland, a newly-formed joint venture development team hosted the first of what would be several community outreach meetings.

The JV partners were a little nervous as the room quickly filled with members of Oakland's general public. An ethnically diverse audience that included several of Oakland's most outspoken community activists representing a broad cross-section of local social, and economic, interests.

Evolve Oakland (formerly Impact Hub), by that time had become a popular venue for hosting community forums. Its edgy design motif provided an ideal backdrop for a "no-holds-barred" conversation about the project sponsor's development plans.

The audience included passionate supporters of Oakland's artists, non-profits, labor unions, historical preservation, affordable housing, anti-displacement and anti-gentrification, environmentalists, and local neighborhood associations, all with well-honed take-no-prisoner skills at community organizing—and prepared to tell the developer "no" if the developer didn't take their feedback and engagement seriously. Many arrived expecting to hear, and vigorously oppose, plans for yet

another assault of humiliating gentrification and displacement, eroding the fabric of historic buildings. Here was another project that would run up the cost of the scarce office market and retail space to prices out of the reach of local non-profits, artists, and local vendors. Another heartbreaking betrayal of the community interest by Oakland's public officials.

However, there was a surprise awaiting meeting attendees—the Eastline development team had no project renderings or development plans to present.

The Lane-SUDA partnership represented an unusual collaboration combining Lane's state-of-the-art delivery of the cutting-edge office and R&D facilities with SUDA's expertise of undertaking urban-core PPP projects that involve public approvals and community buy-in.

Lane and SUDA advised the community that this initial meeting was meant to be a listening session. "We want to know your concerns, fears, frustrations, and desires," explained Drew Haydel, a principal at Lane Partners, in his opening comments.

"We came to listen and also want to hear your ideas for the highest and best use of the site, which we acknowledge community partnership is only just, given the inclusion of public land in the project."

Furthermore, the Lane and SUDA team advised the audience that they intended to reassemble again after processing the community feedback provided. Lane and SUDA would tell the community what they heard.

Only after receiving community feedback—confirming their understanding of community concerns, only then would Lane/SUDA plan and design the project.

This approach was counterintuitive for the development team because of the obvious fear that the community demands would be too great and disparate. How could attempting to serve so many masters yield a plan with any practicality, let alone have any chance of succeeding?

What many weary developers fail to realize is that the general public can often be the most practical voices among the stakeholders. This is because they typi-

*"Why would you not ask the people who are most impacted by a development how they feel about it and if there is any way to make it better for them? Early involvement will always lead to faster and greater support if you listen."*

Victor MacFarlane, Chairman and CEO of MacFarlane Partners

cally harbor no hidden agenda and want sustainable short-term and long-term development for community use. Contrary to what many developers understand, the fact that even the most outspoken sincere affordable housing activists actually want growth of both market rate and affordable units to occur. They understand intuitively, as well as expertly, that the general inventory of housing needs to increase, and understand that the laws of supply and demand are the greatest impediment to affordability.

Moreover, market-rate developers, the very people that have the knowledge of how to efficiently develop land, are not at the "affordability" table with their sleeves up using their skills to devise viable solutions. This lack of collaboration creates a climate of distrust where natural allies become adversaries.

The Eastline team's unusual early-stage interaction with the community was more the exception than typical practice. While it was scary, sometimes awkward, and definitely required wagering of time and financial resources, the gamble paid off.



Communities that are engaged in the planning process for building projects are more likely to become supporters of those projects.

The Eastline team benefited from both their unique collaboration and their unprecedented community engagement.

The massive Eastline project received all discretionary environmental and design approvals from the Oakland City Planning

Commission at their initial hearings. And these public hearings occurred without one speaker in opposition—something that the commissioners acknowledged "never happens for a project of this scale and community impact." ■

**A salute to our business and community partners.  
We succeed together.**

**MacFarlane PARTNERS**

**LANE PARTNERS**

**jrdv**  
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**HEC** 中国港湾工程有限责任公司  
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Josh Johnson**

**DEVINE & GONG, INC.**



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Kirk Sykes  
Ronnie Turner  
Art May  
Brad Flewellen  
Dr. Mark Hannah  
Robin Chiang, architect  
Michael Bernick  
Dirk Hallemeire  
Gensler  
KKCS  
Urban Farmers  
Wendel Rosen





# Congratulations Glenview Community



Students at Glenview Elementary have long awaited their new state-of-the-art facility. With construction finishing in time for the 2020-21 school year, the project was funded by Measure J, Measure B, and Fund 25.

The construction project achieved unprecedented levels of local and minority subcontractor and workforce participation. **It is an example of the upside of equity.**

It is both a historic engineering achievement and an architectural gem.



**The \$60 million project was constructed by ADCo-Alten JV, a joint venture between Alan Dones Company (ADCo) and Alten Construction.**

## Highlights of the new campus:

- Retention of iconic art deco facade and cascading stairs.
- 21st-century learning facilities and multipurpose room.
- ADA compliance to allow equal access to the resources at Glenview Elementary for all members of the community
- Seismically sound buildings to ensure the safety of children and staff.
- Modern and efficient plumbing, electric HVAC, and WiFi systems.
- Industry-leading Green Building Standards.



OAKLAND UNIFIED  
SCHOOL DISTRICT  
Community Schools, Thriving Students