



Development Agreements

Development agreements are contracts negotiated between a developer and a local jurisdiction to specify the terms by which a proposed project moves forward. Development agreements are often used to resolve or mitigate site-specific issues that are not well addressed by standard development regulations. These issues often arise from complex or unique projects. They can also be used to formalize an arrangement in which the developer provides certain public benefits (e.g., affordable housing) in exchange for concessions by the jurisdiction (e.g., regulatory flexibility or [density bonuses](#)).

BACKGROUND

Development agreements are attractive to developers because they secure approvals at the outset of a project and ensure that multi-phased projects will not be subject to regulations adopted after the initial application is approved. Such agreements are mutually beneficial. Jurisdictions can specify the inclusion of public benefits, like affordable housing, and the agreement acts as an additional measure to ensure developments are consistent with planning goals.

Development agreements are voluntary and should be thoroughly negotiated before receiving final approval by the legislative body of the jurisdiction. An agreement should be comprehensive and specify the intent and connection of the public benefit to the development. It must also be consistent with the city or county's development regulations.

Negotiating the agreement may require intensive efforts on the part of local government staff and elected officials. Some jurisdictions hire third parties to help them negotiate on the local government's behalf.

TOOL PROFILE

Objectives

[Housing in Centers and Near Transit](#)

[Housing Options in Expensive Markets](#)

[Missing Middle Density](#)

[Build Community Support](#)

Type of Tool

Project-Level Tools

Project Type

Single family

Multifamily

Ownership

Rental

Affordability Level

Most effective in producing units <80% AMI