

Community Benefit Agreements

Land Development in the Public Interest

THE PROBLEM

Too often, land development projects do not deliver tangible benefits to local residents. Instead of yielding good jobs, new affordable housing, reliable infrastructure, and convenient amenities, major residential or commercial developments often lead to corporate profits at the community's expense.

THE SOLUTION

Community benefit agreements (CBAs) aim to ensure that new developments serve the needs of local residents, not just the needs of developers and their tenants.¹ CBAs are binding agreements typically signed by developers and broad coalitions of local residents and community organizations representing labor, environmental, and affordable housing advocates. In exchange for obtaining the support of the community coalition for its project, the developer generally agrees to some combination of the following:

- *paying good wages to on-site construction workers;*
- *requiring commercial tenants of the site pay good wages;*
- *building affordable housing as part of any residential development;*
- *providing funding for local infrastructure such as community centers, supermarkets, or schools;*
- *hiring local residents or members of vulnerable populations;*
- *reducing and/or mitigating negative environmental impacts.*

WHAT ROLE DO LEGISLATORS PLAY: Major developments almost never occur without the approval of the municipal government. When the development occurs on city land or receives public funding or tax breaks, the city often has significant leverage and authority to demand that the developer act in ways that benefit the community. Even if the development occurs entirely on private land without public economic assistance, it will likely necessitate zoning changes that require the support of planning boards and city councils. Because community groups can oppose these government actions, developers have a strong incentive to communicate with the community and enlist its support for the project.



“There is a movement growing across the country of local elected and appointed officials who recognize that economic development with community benefits can transform local economies and create shared prosperity”

—The Partnership for Working Families

Legislators can thus play two roles: first, they can support a transparent and robust land use process that encourages the input of all relevant stakeholders, not simply the developer, and that prioritizes the public good over private profits. There are legal limitations to the demands that a city can make of a developer in exchange for land use changes, but legislators nevertheless have significant power to hear and address many of the concerns raised by community members. For example, cities can often lawfully require residential developers to build affordable units; create mixed-use developments that facilitate walking, bicycling, and the use of public transit in addition to the use of cars; create usable green spaces; and mitigate environmental impact both during the construction and the life of the project. These are all legitimate topics of land use policy and legislators should encourage the input of community on these and other topics during the land use process.

By establishing a robust and open land use process and taking seriously the input of the whole community, legislators will facilitate private negotiation between community members and developers because developers will recognize that legislators value their input. Further, private community/developer negotiations can address issues that cannot, for legal reasons, be part of the government's official land use process. Ultimately, the negotiation of CBAs should happen without the involvement of elected officials; for legal and

practical reasons, the process needs to be led by engaged residents and strong advocacy organizations. But that process is more likely to happen if legislators insist on land development that is in the public interest.

Second, legislators can promote fruitful CBAs by passing community benefit laws that govern all developments in the city. These policies can require that major developments provide for community input, living wages, local hiring, affordable housing, environmental mitigation, and funding for transportation. Thus, rather than having to negotiate brand new agreements for every project, developers and residents will have a set of baseline standards that apply generally. Such city-wide policies are more likely to withstand legal challenges than are ad hoc land use decisions² and they will ensure that development benefits the public. Cities should ensure that:

- *There is complete and accurate public disclosure of all subsidies to developers*
- *Subsidies are returned to the public if developers fail to meet their commitments*
- *Subsidies are contingent upon the creation of good jobs, transit-oriented development, and affordable housing*

EXAMPLES OF SUCCESSFUL CBAS

SEATTLE, 2008: The Dearborn Street CBA ensured the construction of 200 units of affordable housing, the creation of middle-class construction jobs, space for small businesses, and money for local non-profits and for traffic mitigation.

PITTSBURGH, 2008: The Hill District CBA, negotiated with the developers of the new Penguins hockey arena, ensures funding for a new grocery store, union neutrality for all permanent jobs at the arena, requirements to hire local workers, and funding for a community center.

NEW HAVEN, 2006: The Yale-New Haven Hospital CBA “set aside money for housing, economic development, youth programs and job training; included strong environmental standards, job training and a local hire program; and addressed neighborhood and community concerns.”³

LOS ANGELES, 2005: The LAX CBA – governing redevelopment of the city’s airport – yielded tremendous community

benefits, including significant funding for local schools, major pollution reduction, living wage jobs, local hiring requirements, and opportunities for local, minority, and women-owned businesses.

LOS ANGELES, 2001: The Staples Center CBA governs development in a large swath of downtown Los Angeles near its flagship sports arena. The development, now referred to as LA Live, includes a Ritz-Carleton hotel, an enormous theater, a convention center expansion, and restaurant, retail, and entertainment businesses. A coalition of over 30 community organizations and hundreds of local residents negotiated with the developer to obtain good jobs, affordable housing, a commitment to hiring of low-income and people displaced by the development, and money for community recreation needs.

Other CBAs have been signed in **Atlanta, Denver, Milwaukee, Minneapolis, Oakland, San Diego, San Francisco, San Jose, Syracuse, Washington D.C., and Wilmington.**

LANDSCAPE

Land use policy is highly local and complicated, and legislators should consult with lawyers and advocates early in the development process. Developers are repeat players who can profit enormously from favorable treatment by municipalities and they often exert enormous pressure to get what they want. For this reason, it is crucial for progressive elected officials to collaborate with local community allies and experts from around the country.

The leading organization working on CBAs is the **Partnership for Working Families** and its Community Benefits Law Center. Its website has extensive resources.

The organization **Good Jobs First**, which advocates for making economic development subsidies more effective and accountable, has created a valuable set of materials to introduce readers to the development process.

The Center for Popular Democracy, with long experience using community organizing to win local legislative, can help you build a strong coalition in favor of development that works for your entire city.

Local Progress is a national municipal policy network of local elected officials and partners who want to create more just and equitable cities. Our purpose is to build a broad network to support and learn from each other, share best practices and policies, and develop strategies for advancing shared goals.

The **Center for Popular Democracy** promotes equity, opportunity, and a dynamic democracy in partnership with innovative community-based organizations, elected officials, local and state networks, and progressive unions across the country. We work with our allies to design, pass, and implement cutting-edge state and local policies that deliver tangible benefits for working families.