

I. Community Benefits Agreements

Community Benefits Agreements (CBAs) are contracts executed between community-based organizations and one or more developers. They are intended to outline the developers' commitment to provide a range of benefits to the community to offset the potential impacts associated with the proposed development. "CBAs are legally binding and are commonly incorporated into the City's developer agreements." (The Partnership for Working Families (PWF), 2011)

The Partnership for Working Families argues that CBAs work because:

- Community benefits help generate public support for economic development projects.
- CBAs hold developers accountable for their promises to local governments and residents.
- Community benefits programs can transform regions through stronger, more equitable economies.
- Public input results in better projects that benefit the whole community and attract local customers.
- Time is money, and projects with CBAs often enjoy a faster, smoother entitlement process.

One of the biggest challenges of community benefits agreements is enforcement. A hard-won agreement can be nullified if the developer pulls out of developing the property.

Two landmark community benefits agreements have been profiled in reports as successes: the LA Land Area Company Community Benefits Agreement and the Longfellow Station Community Benefits Agreement. MAPC spoke with the organizations involved with the development of both agreements to learn more about where these agreements now stand and to obtain practical guidance on elements to consider when crafting agreements.

Case Studies: Community Benefit Agreements (CBAs) in Practice

Community Benefits Agreement with LA Land Area Company. In May 2001, the Los Angeles Figueroa Corridor Coalition for Economic Justice (FCCEJ) negotiated an historic CBA with the LA Arena Land Company. The agreement requires the developers to include living wage and union jobs, affordable housing, local hiring, and parks to the Center's four million square foot addition. The CBA provides a model for ensuring low-income residents are considered when major developments are built in their communities. (PWF, 2011) Visit Appendix C to view the full CBA.

Longfellow Station Community Benefits Agreement. In 2008, the Longfellow Community Council (LCC) in Minneapolis, Minnesota succeeded in creating a community benefits agreement with a developer that requires at least 30 percent of the Longfellow Station housing units to be affordable, which exceeds the city's 20 percent requirement. A mix of unit sizes was to be provided, with family-size units having access to green space. (Pollack, Bluestone, and Billingham, 2010) Please visit Appendix D to view the full CBA.

MAPC spoke with Kim Jakus of LCC in March 2011 to learn more about how the CBA elements have

been implemented since the document's signing. The CBA was developed over a period of two years. Its development was supported in part (through facilitation and advice) by planning staff from the area regional planning council. Unfortunately, the developer who had signed on to the agreement had to pull out of the project during the economic downturn because it went bankrupt. The property was to be financed with affordable housing tax credits and HUD financing, but it fell through during the economic downturn. The CBA became null and void because it was tied to the developer and not the land. The City of Minneapolis then transferred development rights to a new developer. The new developer has made it clear to LCC that he has no intent in signing a formal CBA, but that he will take as many elements as are reasonable for integration into the developer's redeveloper agreement with the City. LCC feels that the CBA was not a total loss, however, because stakeholders in the community became engaged and familiar with the process of creating a CBA. LCC's advice to other communities looking to create CBAs is not to tie the agreement to the developer but to the land.¹

¹ Personal communication with Kim Jakus, Longfellow Community Council, March 2011.