

# Community Benefits Agreements

## A Model for Responsible Development

### Overview

Community, environmental, faith and labor organizations have formed the Alliance for Healthy and Responsible Grocery Stores. Committed to insuring that the grocery industry is environmentally responsible, creates good jobs and develops more quality stores in underserved communities, the Alliance is asking TESCO, which is planning to build hundreds of “Fresh & Easy Neighborhood Markets,” to sign a Community Benefits Agreement guaranteeing that *all* Angelenos gain from its expansion into Los Angeles.

### What Is a Community Benefits Agreement?

Community Benefits Agreements, or CBAs, are legally binding contracts, signed by community organizations and corporations, setting forth specific benefits that the corporation agrees to provide as part of a proposed project.

A CBA results from a negotiation process between the corporation and a coalition of organizations from communities affected by the project. Typically, the corporation agrees to shape the project in a manner that reflects express concerns of the community or to provide particular benefits reflective of the community's needs. In exchange, the community coalition, or alliance, commits to support the proposed project before government bodies that provide necessary permits and subsidies.

### Benefits To the Community

Community Benefits Agreements give all stakeholders a voice in development and help insure that projects meet the real needs of communities. Benefits secured in existing CBAs include: living wage requirements for workers employed at the project, “first source” hiring systems that afford local residents the opportunity for employment at the project, job training funds for local agencies, affordable housing, child care, environmental impact mitigations and green-space requirements.

### Benefits To the Corporation or Developer

CBAs make good business sense for corporations because, as a practical matter, they can avoid costly litigation and delays. Additionally, the corporation secures a positive public image and broad public support for the project. This level of community support and partnership can have a significant impact on the ultimate success of the project.

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### Existing Community Benefits Agreements

In 1998, the CBA concept was pioneered by Los Angeles City Councilmember Jackie Goldberg. She incorporated community benefits provisions into the development agreement for the Hollywood and Highland entertainment and retail project. That agreement, which included living wage requirements and was only legally enforceable by the city. Based on those principles, subsequent CBAs have been forged primarily between corporations and community coalitions. Accordingly, these are stand-alone contracts, enforceable by either side. The following Los Angeles developments have included substantial CBAs:

- Staples Center and the Los Angeles Sports and Entertainment District
- NoHo Commons mixed-use project
- Sunquest Business Park
- Marlon Square mixed-use project
- Hollywood and Vine mixed-use project
- LAX Modernization Specific Plan

### National Impact

While CBAs have emerged as an increasingly standard component of development in Los Angeles, they have also proliferated across the country. Over the past several years, coalitions in New York, Milwaukee and San Diego have forged far-reaching agreements with corporations. Meanwhile, groups in Denver, Seattle, Miami, New Haven and Pittsburgh are currently pursuing CBAs in their communities as well.