

Community Benefits Agreement

What does a Community Benefits Agreement mean?

The concept of a community benefits agreement is based on the belief that economic development should create tangible improvements for local residents, particularly those in low-income neighborhoods. CBAs give community groups a voice in shaping projects, enable them to press for project benefits that match local needs, and give them the legal authority to enforce developers' promises.

Is a Community Benefits Agreement a contract?

Yes. Community benefits agreements (CBAs) are legally enforceable contracts, signed by community groups and by a developer, which spell out a set of community benefits that the developer has committed to provide as part of a development project, such as the four stores Walmart plans to build here in the District of Columbia.

Why do communities need CBAs?

It is rare for a developer to spell out a list of the benefits a project is required to provide beyond the general promise of jobs, such as whether the jobs will pay living wages, provide health benefits, hire local residents, and be accessible by public transit; whether the project will be environmentally responsible; and whether it meets other community needs such as the creation of affordable housing or the preservation of open space. Without binding, enforceable commitments in these areas, communities too often find they are left out of the benefits a development brings.

What kinds of community benefits can an agreement include?

- A living wage requirement with good benefits for workers employed in the development
- A "first source" hiring system, to target job opportunities in the development to DC residents of low-income neighborhoods
- Job training programs
- Construction of parks and recreational facilities
- Space for a neighborhood childcare center
- Green building requirements
- Funding for community organizations and programs
- Community input in the planning process
- Retail/commercial space set-asides for small and local businesses

How is a community benefits agreement achieved?

The only way to forge a legitimate community benefits agreement is through an open and transparent negotiation process. Typically, CBA's are negotiated between the project developer and a coalition representing a broad range of community stakeholders. Here in Washington, the Living Wages, Healthy Community Coalition and community stakeholders across the city are developing an enforceable agreement to present to Walmart to trigger the negotiations.

When should a CBA be negotiated?

Generally, a CBA is negotiated between the community groups and the developer before the development begins. This allows community members to have input early in the planning process, and it also provides the coalition with the leverage to keep developers at the table. Before breaking ground, a development project typically has to cross several hurdles such as applying zoning or traffic control changes, and building permits. Most of these approvals have a public input process, which organized communities can use to block a project or push for amendments.

What is "enforceability" and why does it matter with Walmart?

Enforceability means getting promises from developers or Walmart in writing and having the legal authority to enforce them. Walmart is notorious for walking away from promises.

Is there an example a of successful CBA?

Yes. The Staples CBA:

In May 2001, a broad coalition of labor and community-based organizations - the Figueroa Corridor Coalition for Economic Justice-negotiated a comprehensive CBA for the Los Angeles Sports and Entertainment District development, a large multipurpose project that runs adjacent to the Staples Center. The target area was huge and greatly affected the economic and environmental conditions in the adjacent community.

The Staples CBA included an unprecedented array of community benefits, including:

- A developer-funded assessment of community park & recreation needs, and a \$1 million commitment toward meeting those needs
- A goal that 70% of the jobs created in the project will pay the City's living wage, and consultation with the coalition on selection of tenants
- A first source hiring program targeting job opportunities to low-income individuals and those displaced by the project
- Increased affordable housing requirements in the housing component of the project and a commitment of seed money for other affordable housing projects
- Standards for responsible contracting and leasing decision by the developer

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