COMMUNITY BENEFITS AGREEMENTS

Community benefits agreements are a mechanism for communities to extract concessions from private developers who are planning to build large-scale, impact-heavy projects. Community benefits agreements are a way to intervene in the development process by negotiating directly with developers. The purpose is to share in the economic wealth these projects generate and mitigate negative neighborhood impacts. These agreements have the potential to democratize access to the inner-workings of high profile development projects while building community organizing capacity based on a particular, tangible target.

HOW COMMUNITY BENEFITS AGREEMENTS WORK

A community benefits agreement is a legally-binding contract signed between a community coalition, project developer(s), and (often) governmental entities. This contract specifies the obligations that each signatory is committed to meeting, subject to civil law.

Agreements can include requirements such as local hiring, living-wage employment, and affordable housing.

Community benefits agreement contracts have a certain time frame of applicability during which they can be enforced. It is up to community coalitions, and in some cases local governments, to enforce the conditions of the agreement.

The community benefits agreement process requires that communities form united coalitions. Forming a coalition can be challenging given the inevitable diversity of community opinion. These coalitions also require access to legal expertise in order to bring the text of the agreement to life.

CONDITIONS FOR SUCCESSFUL AGREEMENTS

- Local stakeholders present a threat to delay or prevent project construction.
- Community coalitions have the organizational capacity to operate a long-term, legally-intensive campaign through many rounds of negotiation.
- The project has public implications that bring local governments to the table.
- The coalition can articulate clear, measurable and enforceable demands.

Community Benefits Agreements and Green Infrastructure

Large developments often include elements like landscaping, park space, sustainable building materials, water filtration systems, and other forms of green investment. Increasingly, developers tout sustainable features as evidence of doing right by a community. Community benefits agreements offer a language for tying together “green” developments to issues of labor and economic access. They are also an opportunity to make environmentally-based demands that are more than cosmetic beautification or self-congratulatory rhetoric.
Examples of Conditions and Demands in a Community Benefits Agreement

- **Community amenities** such as dedicated space for a childcare facility or grocery store.
- **Affordable housing requirements** setting aside at least 25% of new units for workforce housing.
- **Living wage guarantees** mandating that all workers involved a development are paid at least $15/hr.
- **Workforce support** including job training programs and employment counseling services.
- **Local hiring** ensuring that 51% of employees will come from area neighborhoods.
- **Community access** to development amenities such as local priority for using athletic facilities or priority for occupying business space.
- **Dedicating funds** to the community organizing body to sustain oversight of agreement compliance.

CONSIDERATIONS

Project-Specific

Each community benefits agreement has to be individually worked out between developers and community groups. This is a long and arduous process, often calling on under-resourced communities to force developers to the negotiating table. Even after an agreement is signed, these communities bear the burden of monitoring and enforcing its implementation.

Developer Benefits

Community benefits agreements are often billed as “win-win” situations for developers and community groups – but in terms of economic gain developers benefit more. In an effort to boost local economies, governments will often grant millions in public subsidies to the developers in question. These subsidies are sometimes even increased as a “reward” for signing a benefits agreement.

Accountability

Developers have great financial incentive to complete projects as quickly as possible, and so community benefits agreements can be used to hasten or evade regulatory processes. For example, in exchange for signing an agreement, a city might fast-track a project permit, undermining community input. At the same time, developers use these agreements to claim community support for their projects even if strong opposition remains.

Community Representation

Community benefits agreements operate under the assumption that a given community coalition represents the community as a whole. Establishing community representation is a difficult task, and inherently privileges some voices and interests over others. When governments get involved in the negotiations, policy experts have observed that community demands are diluted by the shift in negotiating power.