

### OVERVIEW

Community Benefit Agreements (CBAs) are contracts between developers and community coalitions to support equitable economic development. Successful CBAs provide benefits to both parties: Developers agree to incorporate benefits for low-income communities and communities of color into development projects, and community coalitions commit to publicly supporting the proposed projects. The legally binding agreements may be useful tools for large development projects at the local level. The strength of an agreement will depend on the inclusion of concrete deliverables and enforcement mechanisms that advance shared goals for a more equitable economy.

### HOW IT WORKS

CBAs are most often driven by a community coalition. Effective coalitions include community stakeholders from as many perspectives as possible who have been organized prior to engagement with developers and who present a unified voice during negotiations. The coalition's negotiation power comes from its image as the representation of the community. If the coalition is fractured or there are disagreements within the community, the developer may not see engagement in negotiations as worthwhile. Meanwhile, cohesive coalitions are attractive partners in negotiation, as they can offer public support and prevent unnecessary delays in the development process.

Coalitions organize in response to a proposed development plan. Some coalitions review the local government's development plans to identify relevant projects. Other coalitions may mobilize in response to a recently announced development plan. In either case, the community coalition must understand the local development process. Members of the coalition should educate and align themselves on the issues arising from the proposed development.

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### WHAT YOU CAN DO

**Track proposed development projects in your community. Further, identify projects where your local government is considering awarding incentives. Organize around these potential large-scale transformative projects.**

**Communities can leverage their political power by forming a coalition to negotiate with developers in their neighborhoods. Find resources on coalition building here: [http://www.forworkingfamilies.org/sites/pwf/ASK/begin\\_building\\_coalition.html](http://www.forworkingfamilies.org/sites/pwf/ASK/begin_building_coalition.html)**

**During the negotiation process, emphasize the benefits to the developer of signing a CBA:**

- **Public support from the coalition.**
- **Potentially streamlined public hearing process.**
- **Positive publicity.**

community and the developer. The community coalition will negotiate with the developer for specific, concrete benefits, such as hiring a certain percentage of local residents for the jobs created from construction, paying workers a living wage, and including direct investment from the developer into the community. It is important to stress the benefit that developers realize from avoiding active opposition from the community. Further, a developer's collaboration with the community may expand the participating market and increase shared prosperity to sustain and expand the benefits of any given development project.

To ensure the community actually benefits from the

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### HOW IT WORKS (CONTINUED)

legally binding agreement, the CBA must include clear enforcement mechanisms and deliverables. For example, the Nashville MLS agreement described below created an advisory committee that included community members to monitor and enforce the CBA terms. Negotiators should insist on defining terms such as “affordable housing” and “minimum wage” to avoid vague, unenforceable promises from a developer.

CBAs are strong tools to use in large development projects that provide many resources to benefit the community. A coalition may decide that some projects are too small or not politically feasible candidates for organizing around. Once the coalition has identified a development project, the members can work to align all parties toward advancing shared prosperity and economic growth.

### IMPACTS IN N.C. TO DATE

The North Carolina Justice Center is not aware of any CBAs in the state. However, upcoming development projects such as sports arena construction, public university expansions, and downtown construction would be prime opportunities for communities to organize. Moreover, as nonprofit hospitals in North Carolina look to meet requirements under the Affordable Care Act and address the health needs of the surrounding community and as private hospitals merge or close, there can be opportunities to direct these institutions to deliver community benefits as part of other existing processes.

A nearby example of a successful CBA exists in Nashville, Tennessee. The coalition Stand Up Nashville organized faith-based, labor, and community groups to negotiate affordable housing, minimum wages, community services, and workforce development commitments with the developer of the city’s new Major League Soccer stadium.

### ADDITIONAL RESOURCES

**Nashville Major League Soccer CBA — [bit.ly/nashvillesoccer](http://bit.ly/nashvillesoccer)**

**A library of CBAs — <http://www.forworkingfamilies.org/page/policy-tools-community-benefits-agreements-and-policies-effect>**

**Steps to a Successful CBA: Tips and Advice — <http://www.forworkingfamilies.org/sites/pwf/ASK/home.html>**

**Common Challenges in Negotiating CBAs & How to Avoid Them — <http://www.forworkingfamilies.org/resources/publications/common-challenges-negotiating-community-benefits-agreements-how-avoid-them>**

**Nonprofit Hospitals and the Community Health Needs Assessment — <https://www.communitycatalyst.org/initiatives-and-issues/initiatives/hospital-accountability-project/resources/document/Community-Benefit-and-Economic-Development.pdf>**

CBAs can serve as a tool for communities to ensure that low-income residents and people of color benefit from the many development projects throughout the state.

— *Written by Rachel Salzberg*