

Community Benefits: New Movement for Equitable Urban Development

By Madeline Janis

The fight for the heart and soul of our cities and suburbs is being taken into communities all across America. In churches and synagogues, in union halls and other meeting places, powerful coalitions of diverse stakeholders have been creating a new approach to economic development. The result has been tens of thousands of middle-class jobs, thousands of units of affordable housing, and the creation of permanent avenues for public involvement.

These substantial gains for low- and moderate-income households are not the result of a newfound corporate conscience but a product of the growing community benefits movement. This movement—in which communities exercise their power to come together and develop a common agenda, and progressive city governments create policies that link development to community needs—is rapidly becoming an important force in addressing the needs of the marginalized and the underrepresented.

Over the past 10 years, metropolitan regions across the United States have seen a “back to the city” movement, with a concurrent growth in city populations, particularly among middle- and upper-income groups. Developments, such as sports stadiums, entertainment arenas, hotels, office parks, “big box” retail outlets, and upscale residential projects are being built more often in existing communities, generally inhabited by low-income, disenfranchised people of color. These projects have the potential to offer tremendous opportunities for low- and moderate-income neighborhood residents, but, absent intervention, can be devastating to them. Unchecked development can lead to large-scale displacement of residents, the diminishing of social services, and an increase in crime, traffic, and pollution.

Birth of the Community Benefits Agreement

The typical public approval process for most urban economic development projects is superficial and quick with very little (if any) attention given to the

potential impact of the project on the neighborhood and the people who will live or work there. Despite their extensive land-use and development powers and authority to withhold approvals and subsidies, city officials—in their quest for sales tax revenues—often are unwilling to change a process driven by developers.

The community benefits movement is a response to the widespread inequities of urban development. It involves organizing diverse interest groups—community groups, unions, housing and environmental advocates—around a common set of demands and convincing public officials to embrace them. Sometimes—especially in the early stages of a development project—residents can engage in direct negotiations with the developer to achieve a Community Benefits Agreement (CBA). This legally enforceable agreement—proven in dozens of cities—provides residents with a more equitable development, while ensuring crucial community support for the project.

Undoubtedly, CBAs are a significant improvement over the traditional developer-driven process, but the approach needs to be institutionalized—with policy and practice—throughout all levels of local and regional government. Propelled by strong community and labor activism, some local governments—like the Los Angeles Community Redevelopment Agency—have taken the lead in creating policies to orient all major developments toward public goals, such as increasing the number of good jobs, building more affordable housing, and improving environmental quality, in exchange for subsidies and development rights.

How to Create a Winning CBA

A successful community benefits program almost always starts outside of government, in community groups, environmental organizations, churches, and unions. They come together with other stakeholders to address such problems as working poverty, lack of healthy and affordable groceries, environmental pollution, and the proliferation of high-cost housing.

At the Los Angeles Alliance for a New Economy (LAANE), we began our community benefits program in 1998, after an analysis of prospective developments determined that the city's future depended on improving the outcomes of publicly supported projects. In 2002, LAANE and others organized to successfully negotiate three major CBAs and I was appointed as a volunteer commissioner to the Redevelopment Agency. Since then, the city's approach to economic development has radically (albeit gradually) changed, leading to significant improvements in the job quality, housing affordability, and environmental effects of hundreds of major projects.

Although change has been possible, it hasn't come easy and we have learned that success depends, above all, on our having a comprehensive strategy. While the strategy may vary from region to region, the following approach has proven effective in communities around the country:

Research and Decision-Making: Research staff from the lead organization—often in partnership with local development officials—monitors development proposals in their region and identifies the ones with potential to offer important benefits to the neighborhood and the community. The broad outlines for a potential CBA are defined.

Community Organizing: Members of the lead organization go door-to-door or conduct phone surveys to ascertain the residents' needs and desires around the proposed development. It is also an opportunity to identify community residents who may be trained in leadership, economic development, and communications.

Coalition Building: Success ultimately depends on a strong coalition. Building it requires outreach to a wide variety of stakeholders, and a real commitment to a demanding process of dialogue and compromise. Members must be given a real voice in the decision-

making process and in turn, must pledge to support the entire program.

Getting the Developer to the Table: Once support is organized and the coalition is in place, a CBA campaign may have the capacity to bring the developer to the table. If the CBA approach is new to a city, the support of key public officials can help push developers into negotiations. Occasionally, legal action may be needed to initiate the process. But once the CBA negotiation process becomes routine in a city, developers usually are ready to negotiate—sometimes in advance of making a proposal to the city.

Negotiating Negotiations: The process of negotiating a CBA must be firmly based in the unity of coalition members, even if they differ over priorities. Absent a united front, developers will often use a “divide and conquer” strategy with community groups, making just enough accommodation to gain the support of one group (sometimes with a monetary payoff), while ignoring the concerns of others.

Agreement to Approval: A typical CBA must be approved by both, a government agency—such as the redevelopment agency—and by elected officials, either as an attachment to or as a part of the developer's agreement with that agency. To win approval, coalition members and community residents must meet with the decision-makers and emphasize the CBA's value. Favorable press reports will facilitate persuasion, as will large turnouts at public hearings, and the use of grassroots spokespeople.

Implementation and Enforcement: Gaining approval of a CBA is only half the battle. Without constant vigilance from activists, implementation of the agreement will be minimal or nonexistent. Ongoing community education and an open and transparent process are essential for regular oversight and reviews of reports necessary to hold the developer accountable.

From CBA to Economic Development Policy

Our experience over the past eight years in Los Angeles has shown that it is possible to turn a grassroots community benefits movement into an institutionalized public program that embraces the use of economic development to build healthier cities. But it's a transformation that requires a lot of work and a

relentless adherence to some core principles (explained below) by advocates of responsible development:

1. Impoverishment and a poor standard of living should not be a part of any economic development plan. Every development agency in the country has a mission to alleviate poverty and physical blight and improve the aesthetics of a community.
2. Most city officials are reluctant to impose requirements, such as good jobs, a healthy environment, and affordable housing on development projects in poor and depressed communities for fear that developers will walk away. Similarly, in the more vibrant economic areas they are afraid of “killing the golden goose” with community benefits requirements. However, history and experience have shown that developer threats are mostly empty, especially when there is money to be made from city subsidies, and it’s up to the advocates of responsible development to keep pushing their agenda.
3. The role and purpose of the public sector is to benefit the broader public. A “successful” redevelopment project, therefore, must create a better quality of life for everyone, not just nice buildings and big profits for the developer. To reorient a city’s redevelopment program, community benefits proponents must advocate for this higher public purpose.
4. To implement successful community benefits programs, public agencies have to function effectively and efficiently, which means having the following in place:
 - a vision and a strategy for land-use planning for the entire city, which embraces public input and process;
 - a staff that is mission driven—staff who “just do their job” should be reenergized or replaced;
 - policies that clearly spell out community benefits requirements for developers who receive public subsidies or ask for discretionary approvals to change land-use or building density conditions;
 - a very aggressive marketing program that strives to promote the area as a great place to do



business because of its amenities and the quality of its workforce and not because it’s “cheap”;

- a clear understanding of the community’s needs, which lead to the drafting of enforceable and well-written contracts for the best and most efficient use of scarce public resources;
- a strong and well-resourced program for monitoring and enforcing all policies and agreements made with developers;
- an ability to conduct real and regular evaluations of the development process to assess if stakeholders feel included and projects actually produce the promised good jobs, affordable housing, and quality environment.

A Movement That’s Here To Stay

Over the past several years, community benefits work has evolved into a bona fide movement, with an increasing number of organizations across the country using the CBA model as an integral part of their strategy. The growth of this approach is inextricably linked to the creation of new broad-based coalitions willing to embrace partnerships with both traditional (progressive groups) and nontraditional allies, while relying equally on the idea of empowering disenfranchised communities.

As advocates seek to advance an agenda of social and economic justice, they would do well to study the community benefits movement, which has offered a way to transcend the differences that too often have splintered community forces. Such alliances point the way toward a promising future in which the common aspirations of the majority are harnessed for social progress. ■

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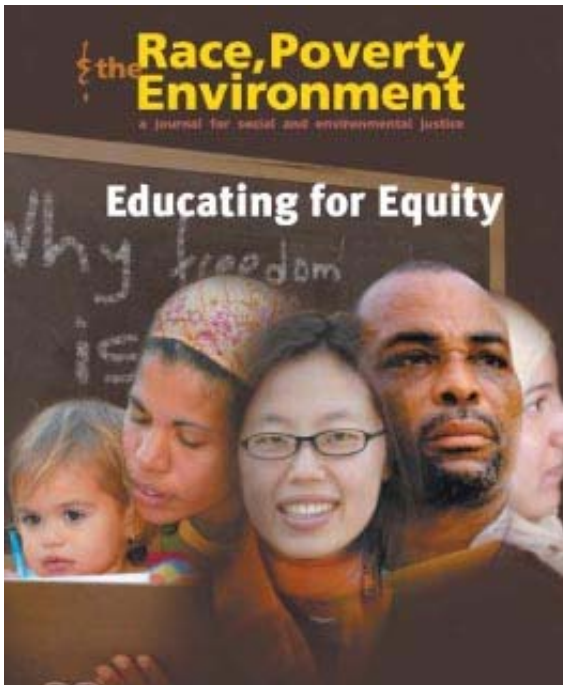
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