

National Examples of Community Benefits Agreements (CBAs)

Source: The Partnership For Working Families
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CBAs Currently in Effect

Kingsbridge Armory CBA (New York City): In April 2013, the Kingsbridge Armory Redevelopment Alliance (KARA), a broad-based coalition of community organizations, entered into a comprehensive CBA regarding the redevelopment of the Kingsbridge Armory, in the Northwest Bronx. The project, an ice sports center, will include nine hockey rinks, a 5,000-seat arena and a 50,000-square-foot community space. Shortly after announcement of the CBA, the developer who had entered into the agreement was selected by the City of New York to build the project. Under the CBA, the developer agreed to:

- a “wall to wall” living wage payment requirement, covering all workers within the project;
- a requirement that at least 25% of construction employees be targeted workers;
- a requirement that at least 51% of non-construction workers within the project be local workers, with first priority placement of underemployed residents of the immediate neighborhood;
- an \$8,000,000 initial contribution, plus substantial ongoing contributions, to a coalition-controlled fund that may be used for specified community needs;
- a grant program for local businesses that employ large numbers of local workers;
- local contracting, M/WBE utilization, and local procurement requirements;
- extensive green building measures and community consultation on environmental issues;
- priority community access to the project’s athletic facilities;
- and formal structures for community-based oversight and enforcement of CBA commitments.

As the first strong, community-driven CBA in New York City, the Kingsbridge Armory CBA is a major step forward for the community benefits movement.

Bayview-Hunters Point CBA (San Francisco, CA): In late May 2008, the San Francisco Labor Council, ACORN, and the San Francisco Organizing Project (SFOP) entered into a community benefits agreement regarding a major development project in the Bayview-Hunters Point neighborhood of San Francisco. Under the CBA, Lennar, a national housing developer, agreed that if the project moves forward, Lennar will:

- ensure that 32% of housing units built within the project are affordable, at a range of income levels;
- provide over \$27 million in housing assistance funds targeted to neighborhood residents, including down payment assistance enabling additional units to be sold below market rates;
- provide over \$8.5 million in job training funds targeted to neighborhood residents;
- ensure that all project employers participate in a state-of-the-art local hiring program; and
- ensure labor peace (i.e., card check / neutrality) in key industries within the project: grocery stores, hotels, and certain service contracts.

Since all of these benefits are contained in the CBA, they are legally binding and enforceable by the Labor Council, ACORN, and SFOP.

Hill District CBA (Pittsburgh, PA): In August 2008, Pittsburgh United joined with unions and several community groups in the Hill District neighborhood as the One Hill Coalition and recently entered into a CBA with the Sports and Exhibition Authority of Pittsburgh and Allegheny County, the County of

Allegheny, the City of Pittsburgh, the Urban Redevelopment Authority of Pittsburgh, and the developers and operators of the Pittsburgh Penguins' sports arena, an anticipated arena hotel and adjacent redevelopment projects. The CBA provides for the following community benefits:

- the establishment of a steering committee with representatives appointed by City officials and the Coalition to oversee the creation of a Master Plan for the Hill District with extensive community participation. In addition, the developers agreed to quarterly meetings with community members on the development and construction of the new arena.
- \$1,000,000 from both the City and the developers toward the local governments' goal of securing a grocery store within the Hill District by the end of 2009. The local governments agreed to ensure that: (a) the grocery store operator uses the CareerLink/ the Hill District Resource Center to secure referrals of applicants that are Hill District residents for jobs created at the grocery store (b) the grocery store operator provides a range of healthful and affordable food and a full service pharmacy for Hill District residents; and (c) the grocery store is a full service grocery store that contains a minimum size of 25,000 square feet.
- creation and funding by the coalition and the local governments of a model first source referral center to provide or coordinate job preparation, counseling, training and supportive services, and to serve as a first source referral of qualified Hill District residents to employers connected with the project. The city and Allegheny County agreed to provide \$150,000 a year for at least two years to start the program.
- targeted outreach to, and pre-bid meetings with and workshops for, local, minority and disadvantaged businesses related to business opportunities associated with the new arena.
- a formal review by the local government entities, under the oversight of the steering committee, of the services being provided to residents of the Hill District.
- the creation by the coalition and the developers of a Neighborhood Partnership Program (NPP), to be funded by the Pennsylvania Neighborhood Assistance Act, to address critical needs in the Hill District.
- assistance by the local governments and the coalition to the Pittsburgh YMCA in developing a multi-purpose center for youth, family and seniors in the Hill District community.

Gates Cherokee CBA (Denver, CO): In February of 2006, FRESC and the coalition members of the Campaign for Responsible Development secured a set of Community Benefit Achievements at the site of the former Gates Rubber Factory. These achievements were the result of more than three years of research, advocacy, organizing, leadership from the city and elected officials, and a process of dialogue with the private developer.

The redevelopment project, undertaken by developer Cherokee Investment Partners, is a 50+ acre, \$1 billion brownfield located on a light rail transit line and at the intersection of I-25 and Broadway in central Denver. (A brownfield is an abandoned, idled, or underused industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination.)

Cherokee sought \$126 million in public subsidies and taxing authority to support the clean-up and redevelopment of the site into a mixed-use, transit-oriented development that will include retail, offices, housing and open space.

The CRD took the position that any project receiving that magnitude of public support should meet principles of responsible development and provide community benefits.

Benefits include:

- landmark Affordable Housing Plan that not only exceeds the Inclusionary Housing Ordinance (IHO) in for-sale affordable units but also includes hundreds of affordable rental units targeting the income levels of Denver's greatest need.
- construction of 150 affordable, for-sale units out of 1,500 total for-sale units (10%).
- construction of 200 low-income rental units out of 1,000 (20%).
- a commitment to conform with state, federal, and local handicapped accessibility standards, ensuring that all housing units are accessible or accessible-convertible.
- a unique agreement that excludes low-road big-box grocery stores like Super Wal-Mart who undercut existing good jobs in the grocery industry through poverty wages/inadequate health care.
- cooperation and participation with the neighborhood coalition Voluntary Cleanup Advisory Board (VCAB) that is monitoring the cleanup and communicating cleanup issues to affected neighbors.
- an unprecedented agreement to pay prevailing wages and benefits for every construction worker engaged in the publicly-funded construction of site infrastructure and maintenance of public spaces and facilities.
- an unprecedented agreement to extend Denver's Living Wage Ordinance to include parking lot attendants and security personnel employed at the site's public facilities.
- an enhanced "First Source" local hiring system that promotes recruitment of local residents to fill new positions and, for the first time, prioritizes immediately adjacent low-income neighborhoods.

Denver's Office of Economic Development is now employing, for the first time, an explicit "public benefits framework" to outline the public financing package for this project.

LAX CBA (Los Angeles, CA): In December of 2004, a broad coalition of community-based organizations and labor unions in Los Angeles entered into the largest CBA to date, addressing the Los Angeles International Airport's \$11 billion modernization plan. The CBA is a legally binding contract between the LAX Coalition for Economic, Environmental, and Educational Justice and the Los Angeles World Airports (LAWA), the governmental entity that operates LAX. The benefits obtained through this CBA campaign have been valued at half a billion dollars. The bulk of these benefits are set forth in the LAX CBA; the airport's commitments to two area school districts are set forth in side agreements that were negotiated as part of the Coalition's CBA campaign. The CBA has been hailed by both local policy-makers and the administrator of the Federal Aviation Administration as a model for future airport development nationally.

The wide range of benefits include:

- \$15 million in job training funds for airport and aviation-related jobs;
- a local hiring program giving priority for LAX jobs to local residents and low-income and special needs individuals;
- funds for soundproofing affected schools and residences;
- retrofitting diesel construction vehicles and diesel vehicles operating on the tarmac, curbing dangerous air pollutants by up to 90%;
- electrifying airplane gates to eliminate pollution from jet engine idling;
- funds for studying the health impacts of airport operations on surrounding communities; and
- increased chances for local, minority, and women-owned businesses in the modernization of LAX.

The CBA has detailed monitoring and enforcement provisions, enabling Coalition members to ensure implementation of these benefits and to hold accountable the responsible parties.

Hollywood and Vine CBA (Los Angeles, CA): The famous corner of Hollywood and Vine in Los Angeles is the site of a landmark \$326 million, mixed-use, transit-oriented development. In 2004, a broad coalition of neighborhood, environmental, labor and faith-based groups negotiated a CBA with developer Gatehouse Capital to help the project spark the revitalization of the surrounding community. Among other things, the developer agreed to:

- Strive to ensure that at least 70% of the on-site jobs pay a living wage
- Institute a first source hiring policy targeting local, low-income residents
- Provide \$75,000 to job training programs
- Provide \$15,000 to fund a health care access outreach program
- Include a union hotel
- Make 20% of the total rental apartment units affordable, with one-third affordable to households making 50% of the area median income (AMI), one-third affordable at 80% AMI, and one-third affordable at 120% AMI

CIM Project CBA (San Jose, CA): Working Partnerships USA (WPUSA) and a broad coalition of service employees' unions, building trades, small businesses, environmental advocates, neighborhood groups, and child care advocates obtained the following commitments in the 2003 amended development agreement for the \$140 million multi-use CIM Project in San Jose. The project is receiving a subsidy of about \$40 million from San Jose's redevelopment agency.

- living wages for employees of the development's parking garage;
- a project labor agreement for the construction of the project;
- increased affordable-housing requirements;
- guaranteed space in the development for small businesses, and a marketing program to make local small businesses aware of project opportunities;
- a commitment to work toward low-cost space for a child-care center;
- and a commitment to seek living wage jobs if a grocery store, department store, or hotel becomes part of the project.

Marlton Square CBA (Los Angeles, CA): In 2002, a coalition of community-based organizations entered into a CBA with the developer of the \$123 million retail and housing Marlton Square redevelopment project in Los Angeles. The CBA included developer commitments to:

- dedicate space within the development for a community services facility, such as a community center, youth center, or job training center, according to needs determined through a community process;
- require employers in the development to hire through a first source hiring policy; and
- take specified steps to achieve a 70% living wage goal.
- The CBA was incorporated into the master agreement the developer signed with the city.

Staples Center CBA (Los Angeles, CA): In May of 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 will include a hotel, a 7,000-seat theater, a convention center expansion, a housing complex, and plazas for entertainment, restaurant, and retail businesses. Public subsidies for the project may run as high as \$150

million. The CBA is usually referred to as the “Staples CBA” because the project is located adjacent to the Staples Center sports arena, which was developed by the same company.

The Staples CBA was a tremendous achievement in several respects. It includes 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;
- developer funding for a residential parking program for surrounding neighborhoods; and
- standards for responsible contracting and leasing decisions by the developer.

These many benefits reflect the very broad coalition that worked together to negotiate the CBA. The coalition, led in negotiations by Strategic Actions for a Just Economy, LAANE, and Coalition L.A., included over 30 different community groups and labor unions, plus hundreds of affected individuals. These successful negotiations demonstrate the power community groups possess when they work cooperatively and support each other’s agendas.

Multi-Parcel Standards in Effect

Atlanta BeltLine (Atlanta, GA): In 2005, Georgia Stand-UP succeeded in attaching community benefits language to a City ordinance authorizing almost \$2 billion in public funding over a 20-year period for transit-oriented development. The Atlanta BeltLine project involves the development of a 22-mile light rail transit loop encircling the city. The \$2.8 billion project is expected to take 25 years and will include transit-oriented design, including multi-use trails, as well as 1200 acres of green space, affordable housing, brownfield remediation, historic preservation, and public art. The 2005 city resolution that created the BeltLine Tax Allocation District (TAD) included several community benefits principles that will apply not to an individual project, but to every project within the Beltline redevelopment area. These include:

- Section 11- establishes the BeltLine Affordable Housing Trust Fund, created by setting aside 15% of the net proceeds of every TAD bond issued to develop 5,600 units of affordable housing
- Section 12- establishes an Economic Incentives Fund by setting aside a portion of each TAD bond issuance that will incentivize private development in targeted areas of the BeltLine that have historically experienced disinvestment, poverty and unemployment.
- Section 19- requires that all capital projects that receive TAD bond funding will have attached “certain community benefits principles, including but not limited to: prevailing wages for workers; a ‘first source’ hiring system to target job opportunities for residents of impacted low-income BeltLine neighborhoods; establishment and usage of apprenticeship and pre-apprenticeship programs for workers of impacted BeltLine neighborhoods.” Additionally, “a more complete list of such principles and a community benefit policy shall be developed with community input and included within the agreements to be approved by City Council.”

The Atlanta BeltLine project is an excellent example of how to apply CBA principles to large parcels of development, without losing the fundamental step of community involvement.