



Community Benefits Planning

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*Interested in working on community benefits? Apply to the 2024/2025 AmeriCorps*VISTA position at CCED. A job description is provided at the end of this newsletter with instructions.

In Spring 2024, the Center for Community & Economic Development (CCED) began investigating opportunities for community members and leaders at the local level to utilize community benefit planning strategies. As developers seek funding from the public sector for communities, those impacted by the development process can negotiate different types of plans to ensure that the investment will benefit the local economy as well. These plans are called Community Benefit Agreements and Community Benefit Plans, both of which serve the interests of a locality with varying degrees of protection. The Center has recently identified a growing interest in how federal and local funding is distributed to developers and is preparing a policy brief to identify current trends and opportunities in community benefit planning. This policy brief will explore case studies of community benefit planning at the local and university levels to create recommendations that could help Michigan's stakeholders implement these policies and practices.

Community Benefit Agreements (CBAs) are legally binding contracts between developers and the community-based organizations that represent the interests of the residents of an area, like ensuring amenities or mitigating property decline. On the other hand, Community Benefit Plans (CBPs) are often non-binding agreements between community organizations and developers that outline community priorities. CBPs are designed to increase the potential influence of a community in the development process and ensure more community engagement, while CBAs represent a longer legal process usually involving a Community Benefit

Ordinance (CBO). A CBO is an ordinance, resolution, or policy adopted by a country, city, or township within a state that requires entry into a CBA. Requiring a CBA protects communities from predatory development practices, especially disadvantaged areas. In turn, they assist small businesses and job seekers in finding or obtaining construction contracts, jobs, and training opportunities for residents who live in those areas. CBPs are much easier to draft, but impossible to fully enforce, giving much more leeway to developers.

The Community Benefit Movement (CBM) began between the 1990s and early 2000s. The CBM began in California with the goal of expanding social justice, economic development, and land use planning. The community benefit movement was later adopted by organizations in the cities of East Bay, Los Angeles, San Diego, and San Jose. The movement also spread across many metropolitan areas such as Atlanta, Boston, Chicago, Denver, Miami, Milwaukee, Minneapolis/St. Paul, New York City, Seattle, and Washington D.C. The first CBA was arranged in 1998 for the development of the Hollywood and Highland Center, including over 4,000 theater seats, parking lots, and hotels. However, the first "full-fledged" Community Benefit Agreement also took place in California in 2001 which was heavily involved in the sports and entertainment district of Los Angeles, through the Staples Center Expansion Pack. Projects like these helped popularize the use of CBAs and CBPs within the larger movement, advertising their use for municipalities across the United States.

A CBA campaign success depends on the cooperation from government officials and a lack of political support has created failed or co-opted CBA attempts in cities such as Chicago, Atlanta, and New York. Some cities employ a community engagement requirement before a project is approved by the public book,

while other policies require a meeting or several with community members, stakeholders, or designated representatives. Alternatively, CBPs are meant to be flexible to produce the best approaches from applicants and their partners. Generated plans must be actionable, measurable, and specific.

A community benefit plan can create a newfound level of trust in relationships with local stakeholders, set expectations around access to jobs and economic opportunities, address needs in communities, and develop innovative programs. A CBP campaign involves engaging communities and labor, investing in America's workers through quality jobs, advancing in DEI values and accessibility through recruitment and training, and implementing the [Justice40 Initiative](#). The goal of this initiative is for 40% of the overall benefits of certain federal investments to flow to disadvantaged communities. While CBAs are more certain, both methods have their strengths and weaknesses.

As more research for this project continues, the Center seeks to create a broad-based advisory taskforce that can provide more insight into the community benefit planning process and facilitate circulating the report among key stakeholders. As more community leaders, policy makers, scholars, and economic development professionals become involved in community benefit planning, CCED hopes to provide them with a resource that can help inform their decision-making process.

Additionally, the Center looks forward to welcoming a future full-time AmeriCorps*Volunteer in Service to America member focused on community benefits – both agreements and plans this summer. For more information, or to apply for this position, please see *Open Positions* listed under *Student Opportunities* at the CCED's website. This hyperlink will take readers directly to Handshake for the application, or readers may download a PDF application. Please inquire with Mary ZumBrunnen, Assistant Director, with resume and cover letter at zumbrun1@msu.edu.

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