In L.A. Live Community Agreement, Some See Shortcomings

Deal that brought about the development is held up as a national model.

A 2001 community-benefits agreement for the L.A. Live sports and entertainment district in downtown Los Angeles is held up as a model that sparked a national trend.

L.A. Live owner AEG Worldwide subsequently helped pay for 120 units of affordable housing, three child-care centers, a park and a recreation center, and has worked with area groups on local-hiring requirements, University of Southern California sociologist Leland Saito found. But Mr. Saito has noted shortcomings, such as an inadequacy of housing funds in light of the city's high land and construction costs.

Martha Saucedo, head of external affairs at AEG, said the company is proud of the agreement's results, including jobs that pay a “living wage” and a small park where a drug market once stood.

Cynthia Strathmann, executive director of SAJE, a nonprofit group involved in negotiating the deal, said, “It met a lot of the expectations people had about the actual agreement, but the agreement itself was never going to save the day.”

Nicholas Marantz, an assistant professor in planning, policy and design at the University of California, Irvine, reached a nuanced conclusion after studying the agreement’s practical impact.
While he found developers complied with many, though perhaps not all, of the provisions, he said it wasn’t clear the benefits went beyond existing laws and regulations. Another project in downtown L.A. without a benefits agreement had the same share of affordable-housing units but stricter income-targeting requirements, he noted.

“You have to parse these things pretty closely,” Mr. Marantz said.

Yet he also found the L.A. Live agreement shows community groups can use the mechanism to ensure developers fulfill their legal obligations when the government has been lax or uneven in its enforcement.

Ms. Saucedo said AEG’s affordable-housing contribution under the agreement “definitely” exceeded what the company would have had to finance otherwise.

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