

What Do Community Benefits Agreements Deliver? Evidence From Los Angeles
Nicholas J. Marantz, UC Irvine

This is an Accepted Manuscript of an article published by Taylor & Francis in the *Journal of the American Planning Association* on November 23, 2015, available online:
<http://www.tandfonline.com/doi/full/10.1080/01944363.2015.1092093>

Abstract

Problem, research strategy, and findings: Advocates of community benefits agreements (CBAs) between coalitions of nongovernmental organizations and real estate developers contend that CBAs promote public accountability and responsiveness to community concerns. This study assesses the Los Angeles Sports and Entertainment District CBA, which scholars and practitioners have described as a model for such agreements. I assess compliance with key provisions of the agreement related to jobs, affordable housing, and parks and recreational facilities. I also assess whether compliance with these provisions has yielded benefits beyond those required under existing laws and regulations. I find that the parties to the agreement have technically complied with many, although arguably not all, of its provisions. But some of the provisions in the CBA are not legally binding, other provisions overlap with requirements that the developer would have had to satisfy even without the CBA, and some reports required by the CBA are unavailable. As a result, outcomes such as living wage jobs and funding for affordable housing units are not clearly attributable to the CBA; other outcomes, such as targeted hiring, are unknown due to a lack of relevant information.

Takeaway for practice: Although CBAs may not fulfill all the claims that advocates make on their behalf, they can play important roles in community development by directing public and private spending to under-served neighborhoods. But collecting and verifying the relevant data may be challenging, even if reporting requirements are clearly spelled out in the CBA. As the complexity of a CBA increases, so do the challenges of assessing outcomes and assigning responsibility for those outcomes.

Keywords: community benefits agreements, redevelopment, public-private projects

Introduction

A new term – community benefits agreement (CBA) – began to appear in discussions of urban redevelopment in the first decade of the twenty-first century.¹ The term frequently refers to a private agreement between a developer and a coalition of non-governmental organizations, although definitions vary (cf. Gross, 2008, pp. 45–52; Wolf-Powers, 2010, p. 141). Participants in a CBA coalition may include community-based organizations, environmental groups, and labor unions. Such a coalition can derive leverage from its ability to delay or derail a project through a lawsuit or by lobbying elected officials. A developer may therefore try to win the support of such a coalition by participating in a CBA that promises specific benefits such as living wage jobs, affordable housing, and parks and recreational facilities. CBA advocates contend that such agreements promote public accountability and responsiveness to community concerns (see, e.g., Gross, LeRoy, & Janis-Aparicio, 2005, pp. 21–22). Advocates also indicate that CBAs can extract benefits from development beyond what private developers would otherwise provide (see, e.g., Beach, 2008, p. 83). Some scholars, however, have noted that we have limited evidence that CBAs produce such outcomes (Been, 2010, p. 6; Wolf-Powers, 2010, pp. 142, 157).

This article fills that gap by analyzing the implementation of the CBA associated with the Los Angeles Sports and Entertainment District (LASED), a project including residential, retail, office, hotel, and entertainment uses.² The LASED CBA is widely regarded as the first in the US (see Been, 2010, p. 8; Salkin & Lavine, 2008, p. 302),³ and many scholars and practitioners describe it as a model CBA (see, e.g., Gross et al., 2005, pp. 14, 29–32; Saito & Truong, 2015, p. 282; Task Force on Public Benefit Agreements, 2010, p. 5; Yellen, 2007, p. 3). It includes wage and targeted hiring goals, as well as guarantees requiring developer

contributions to affordable housing projects, parks, and recreational facilities. Both the CBA and a separate agreement between the developer and the city require the developer to provide annual public reports detailing its compliance with the CBA; the CBA also funds a non-profit organization to oversee a targeted hiring program and provide annual public reports.

I ask two questions: first, have the parties to the LASED CBA complied with the provisions concerning jobs, housing, and parks and recreational facilities? Second, even if so, did the developers of the LASED provide benefits beyond those required under existing laws and regulations? Based on analysis of relevant documents and interviews with participants in the LASED CBA, I find that the multiple developers subject to the CBA have technically complied with many, although arguably not all, of the CBA's provisions. But it is not clear that the benefits provided by the LASED developers exceeded the contributions that would have resulted from pre-existing laws and regulations. For example, a nearby project that did not involve a CBA included the same proportion of affordable units as required by the LASED CBA, but imposed even more stringent income targeting requirements. Moreover, the LASED developers may request credits against otherwise applicable impact fees for funds spent on parks and recreation pursuant to the CBA, and the CBA obliges the coalition to support such requests.

It is difficult to identify the independent impact of the CBA for four reasons. First, the CBA requirements overlap with other contracts, such as employer-union agreements, and with laws related to job quality and affordable housing. Second, as a result of the CBA, the developers may not be required to pay some pre-existing impact fees, although I have been unable to determine the amounts involved. Third, some provisions of the CBA are not legally binding. Fourth, the required living wage reports do not distinguish outcomes specifically

attributable to the CBA, and I have been unable to obtain the required targeted hiring reports despite extensive efforts.

Nevertheless, the case of the LASED CBA demonstrates how a CBA can help community groups ensure that developers make good on some of their obligations when government enforcement of the relevant guarantees has been lax or uneven. It also shows how community groups can use a CBA to direct public funds to under-served areas.

The first section below defines CBAs in greater detail, discusses the emergence of CBAs, and describes the key claims of CBA advocates. The second section describes the negotiation of the LASED CBA and the agreement itself. The third section describes my methods and the rationale for analyzing the LASED CBA. The fourth section analyzes whether the parties to the agreement have complied with provisions related to jobs, affordable housing, and parks and recreational facilities. It also assesses whether compliance has yielded benefits beyond those required by pre-existing laws and regulations.

The final section considers the implications of my findings for planning practice and scholarship. I conclude that although CBAs may not fulfill all the claims that advocates make on their behalf, they can play important roles in community development by directing public and private spending to under-served neighborhoods. But collecting and verifying the relevant data may be challenging, even if reporting requirements are clearly spelled out in the CBA. And as the complexity of a CBA increases, so do the challenges of assessing outcomes and assigning responsibility for those outcomes.

A Brief History of Community Benefits Agreements

I use the term "community benefits agreement" to describe "a standalone, legally enforceable contract between multiple community groups and a private developer, requiring

community benefits from the developer in exchange for the community groups' support of (or non-opposition to) [a] project" (Gross, 2012, p. 229). Prominent CBAs have been associated with urban infill development projects that include some combination of retail, residential, office, entertainment, professional sports, and hotel uses (Been, Levine, Moskowitz, O'Brien, & Sheffer, 2010; Salkin & Lavine, 2008; Task Force on Public Benefit Agreements, 2010; Wolf-Powers, 2010). Typically, these projects are privately owned and operated, but they receive public support through some combination of rezoning, tax advantages, direct subsidies, financial guarantees, land write-downs, infrastructure development, and the exercise of eminent domain. The term "CBA" has been in widespread use for little more than a decade,⁴ but Parks & Warren (2009, p. 91) indicate that seventeen to fifty "self-proclaimed" CBAs had been negotiated in the US as of 2008. This estimate suggests that CBAs have become increasingly common features of urban development projects in the past fifteen years.⁵

Three changes in the legal and political landscape of urban development during the past five decades help to explain the emergence of CBAs. First, beginning around 1970, the federal government and many state governments created new ways for non-governmental organizations to intervene in the development process (Altshuler & Luberoff, 2003, pp. 230–234). For example, under the California Environmental Quality Act, non-governmental organizations can bring lawsuits against the government, alleging inadequate analysis of the impacts of public-private redevelopment projects. By threatening to delay or derail a redevelopment project with lawsuits, non-governmental organizations can gain clout when negotiating a CBA with a developer.

Second, beginning later in the 1970s, reductions in federal aid and restrictions on property taxes impelled cities to undertake a new form of deal-making with private developers

(Sagalyn, 1990). The resulting deals typically required cities to provide financial incentives such as property tax abatements and tax-advantaged bond financing. These off-budget subsidies frequently hid significant public costs.

Third, by the mid-1990s, labor advocacy organizations began to criticize public-private deal-making as a source of largely invisible public spending that generated low-wage jobs with little potential for economic mobility (see, e.g., LeRoy, 1997). National labor advocacy organizations and allied regional groups began to view approval processes for subsidized redevelopment projects as opportunities to expand organizing campaigns related to low-wage service jobs in hotel, office, and retail projects (Cummings, 2007, pp. 1944–1945; Khalil & Hinson, 1998, pp. 19–27; Luce, 2005, pp. 50–51; Parks & Warren, 2009, p. 91; Zabin & Martin, 1999, pp. 12–18). In Los Angeles, the resulting campaigns fostered collaboration among public officials, labor representatives, and community organizers (Frank & Wong, 2004; Meyerson, 2006; Montgomery, 2011, pp. 80–87, 95–102). The LASED CBA was one product of this collaboration.

CBA's may be a recent innovation, but real estate developers have long offered benefits in order to gain local government approvals or avoid litigation. Local government officials frequently negotiate such benefits on an ad hoc, project-by-project basis (Camacho, 2005, pp. 15-33).⁶ Local governments often incorporate the negotiated benefits into regulatory documents. For example, some states, including California, authorize local governments to enter into contractual development agreements (DAs). Under a DA, a local government essentially freezes the regulations applicable to a development project in exchange for benefits provided by a developer (Callies, Curtin, & Tappendorf, 2003, pp. 91–115).⁷

A widely cited advocacy primer on CBAs stresses that a CBA should be independent of public regulatory agreements such as DAs, so that community groups do not have to rely on local government for enforcement (Gross et al., 2005, p. 10). Gross et al. (2005, pp. 21–22) suggest that CBAs can address community concerns, foster new alliances among non-governmental organizations, and ensure the legal enforceability of a developer's promises, while helping members of the public and government officials to understand a developer's commitments and monitor the delivery of the promised benefits.

Gross et al. (2005) also describe the attributes important for successful CBAs. They recommend extensive outreach by community-based groups in order to ascertain a community's needs, coupled with collaboration between these groups and organized labor, in order to build a broad, politically potent coalition (pp. 6, 14). They advise CBA coalitions to appoint a relatively small negotiating team or a steering committee, including members with relevant expertise, to negotiate with a developer's representatives (pp. 11, 26). If an attorney represents a developer in the negotiations, the CBA coalition should also negotiate through an attorney (pp. 11, 23).

Gross et al. (2005) emphasize that a CBA should specify monitoring and enforcement mechanisms for any commitments made by developers, including public reporting requirements, and that such commitments should also bind any subsequent purchasers of property in the project (pp. 14, 70). In addition, while Gross et al. indicate that a CBA should be independent of a DA, they also recommend that the parties to a CBA should try to have the CBA incorporated into such public agreements, so that the CBA will also be enforceable by local government (p. 10).

The LASED CBA involved all of these attributes, as discussed below. By contrast, some other high-profile CBAs have been mired in controversy, including allegations of financial impropriety, unenforceability, and inadequate representation of surrounding communities (Been, 2010, pp. 29–31; Freeman, 2007; Rosenblum, 2013; Santos, 2009). The text of the LASED CBA, moreover, is publicly available, unlike some other CBAs (Been, 2010, p. 22).

The Negotiation of the LASED CBA

On May 3, 2000, the owners of the Staples Center arena in downtown Los Angeles announced plans to transform the surrounding property into a master-planned district including retail, entertainment, hotel, office, and residential uses (Newton, 2000). The Staples Center, home to professional sports teams including the Los Angeles Lakers, had opened the preceding year (Boucher & Rohrlich, 1999). It was part of a broader plan to create an entertainment district and a hotel to service the adjacent convention center, shown in Figure 1 (Comrie & Deaton, 1997). As shown in Figure 2, this proposed development (later called the LASED) was located amidst some of the poorest census tracts in the City of Los Angeles. As Table 1 indicates, the initial plan included 4 million square feet of retail, entertainment, residential, hotel, office, and convention uses; by 2010 the planned build-out had increased to 6.29 million square feet of new development.

[INSERT FIGURES 1 AND 2 AND TABLE 1 HERE]

After the developers' announcement, organizers associated with community groups and labor unions sought to ensure that the master-planned project would benefit nearby residents (Cummings, 2008, p. 61; Saito, 2012, pp. 139–141). The organizers combined outreach to other non-governmental organizations with extensive efforts to engage residents of low-income communities near the proposed project (Haas, 2002, pp. 92–93; Leavitt, 2006, p. 264;

Montgomery, 2011, pp. 103–108, 119–122; Saito, 2012, pp. 139–141). The group that emerged under the aegis of the Figueroa Corridor Coalition for Economic Justice comprised, at its largest, twenty-nine organizations, including two labor unions, and roughly 300 individuals living close to the arena (Cummings, 2008, p. 62).

The coalition sought an independent means of obtaining a range of benefits, in part, because of enforcement and accountability problems plaguing the City of Los Angeles and its Community Redevelopment Agency at that time. The city had enacted a living wage ordinance in 1997, which applied to certain employers receiving public subsidies. But an evaluation prepared for the city council characterized the relevant city agency's strategy for implementing the living wage ordinance as "remarkably passive" (Sander & Loki, 1998, p. 8). Labor organizations that had lobbied for the living wage ordinance sought a variety of alternative mechanisms to implement the law, including CBAs (Frank & Wong, 2004, pp. 173–175; Luce, 2005, pp. 50–51; Zabin & Martin, 1999, pp. 12–18). In addition, a city controller's audit revealed that the Community Redevelopment Agency was doing "a poor job ensuring that the public receives the benefits promised in exchange for subsidies given to private developers," and the controller noted that the agency frequently failed to "verify that the units created for low to moderate income housing are actually being used for that purpose" (Chick, 2004, p. 1; see City of Los Angeles, Office of the Controller, 2004). Another audit demonstrated that the city's Department of Recreation and Parks had been slow to spend the impact fees it received from developers (City of Los Angeles, Office of the Controller, 2008). The LASED CBA coalition sought to remedy these shortcomings.

The coalition gained political leverage by including labor organizations, but this alliance also limited the scope of the coalition's demands (Cummings, 2008, p. 63). Sandra

McNeill (interview, March 6, 2014), a leader of a community-based organization that played a key role in the LASED CBA, notes that "there [were] tensions between what the community members wanted to accomplish and what some of the [labor] organizations felt was most important and also most viable." David Koff, who served as an observer for the Los Angeles County Federation of Labor in negotiations between the coalition and the developer, noted similar tensions (Montgomery, 2011, p. 125). Some coalition members sought a total rethinking of the project, based on "international best practices of how older neighborhoods and regional attractions have been designed to complement each other and coexist" (López Mendoza, 2001a, p. 41), but this did not occur. Moreover, most of the environmental mitigation measures proposed by the coalition were not ultimately adopted (López Mendoza, 2001b).

The coalition also gained leverage from a threat to challenge the project under the California Environmental Quality Act (Cummings, 2008, pp. 63–66; Haas, 2002, pp. 91–93), although the intra-coalitional pressures may have militated against litigation. As Koff explained, the president of the hotel workers' union (an important member of the CBA coalition) was wary of tactics that could delay the project, which seemed likely to produce many permanent union jobs (Montgomery, 2011, pp. 103–104; cf. Cummings, 2008, p. 63). Such jobs would be guaranteed by agreements between unions and employers that were separate from the CBA.

Seasoned negotiators and experienced legal counsel represented the coalition in its formal negotiations with representatives of the developer of the LASED, the Anschutz Entertainment Group (AEG) (Cummings, 2008; Haas, 2012). The negotiation culminated in a CBA that applied to certain subsidiaries of AEG and to any developers who might later

purchase or lease land in the LASED from AEG (L.A. Arena Land Co., LLC et al., 2001, pp. 10–11). This CBA, which addressed topics including jobs, affordable housing, and funding for nearby parks and recreational facilities, was designed to be independently enforceable. A separate contract, called a Cooperation Agreement, authorized the coalition signatories to seek judicial enforcement of the CBA without any action by local authorities. Under the Cooperation Agreement, coalition members promised to support the project by, for example, providing testimony at public hearings and waiving legal claims, including certain claims involving the California Environmental Quality Act (L.A. Arena Land Co., LLC et al., 2001, p. 5). In exchange for the coalition's concessions, AEG agreed to both non-binding goals and binding requirements, detailed in Table 2.

The CBA's jobs provisions consisted primarily of non-binding goals concerning employment outcomes and binding requirements mandating public reports, conferral with coalition representatives, and compliance with existing laws. The non-binding goals indicated that at least 70% of permanent jobs in the LASED would be "living wage jobs" (as defined in the CBA), and that 50% of jobs available during any six-month period would be filled by targeted job applicants, such as low-income individuals living within a three mile radius of the LASED. The CBA also required AEG to inform the coalition about prospective tenants, to arrange for coalition representatives to meet with prospective tenants, to provide annual reports to the city indicating the percentage of living wage jobs in the LASED, and to comply with the city's living wage law. The CBA did not require AEG to administer the targeted hiring program or submit the relevant reports to the city. Instead, it assigned these responsibilities to a non-profit organization, to be selected by the coalition and AEG at a later date, with AEG required to pay up to \$100,000 for these services.

The CBA also included binding requirements concerning affordable housing. AEG

would provide three-year interest-free loans, totaling up to \$650,000, to one or more affordable housing developers. More significantly, AEG and other residential developers in the LASED would either develop or subsidize one affordable unit for every five housing units in the LASED. These affordable units could be developed within the LASED or off-site (within three miles of the LASED). For the off-site units, the developers would give priority to projects suitable for families. But the CBA did not specify the LASED developers' financial obligations for the off-site units. As a result, the city ultimately limited these obligations to \$40,000 per required unit, as discussed below.

The CBA also guaranteed \$1,000,000 for parks and recreational facilities, and it required AEG to pay up to \$75,000 for a needs assessment to ensure community input on how to spend these funds. The CBA required the projects receiving these funds to be completed within five years of the completion of the needs assessment. In addition, the coalition pledged to support AEG's application for credits towards the city's impact fees for parks and recreational facilities.

Three months after it signed the CBA, AEG – with support from coalition members – secured approvals from the Los Angeles City Council, including adoption of a DA incorporating the CBA (Los Angeles City Council File No. 00-0813). The city subsequently provided subsidies for the project estimated in 2005 at a net present value of \$82 million (Fujioka & Miller, 2005, pp. 2–3).

[INSERT TABLE 2 HERE]

The LASED CBA as a Test Case

The LASED CBA fulfilled the criteria that Gross et al. (2005) indicate are important to increase accountability and produce measurable outcomes. As a result, it is an important test case for the claims of advocates about the value of CBAs (see George & Bennett, 2005, pp.

120–123). I assess whether the parties to the LASED CBA complied with the CBA's provisions on jobs, housing, and parks and recreational facilities, and whether compliance yielded benefits exceeding the existing legal requirements. I reviewed the LASED CBA, relevant public records, and secondary sources addressing the legal and social context for the emergence of CBAs generally. I also conducted open-ended, semi-structured interviews with thirty individuals. The interview subjects either had direct knowledge of the negotiation and implementation of the LASED CBA or general knowledge about development in Los Angeles. I initially identified interview subjects based on public records, journalistic accounts, secondary sources, and the advice of individuals familiar with development in Los Angeles. I identified additional interview subjects based on the recommendations of the initial interviewees.

The interview subjects included three private attorneys, ten current or former government officials, one former employee of a non-profit environmental advocacy organization, three employees of labor organizations, two private development consultants, three academics, three community organizers, two employees of a business advocacy organization, and three employees of development firms. I conducted the interviews in person and via telephone based on a tentative outline of the topics and subtopics that I wished to cover. The outlines were based on a review of relevant documents as well as any prior interviews. I requested permission to record the interviews, to use the interviewees' names and titles, and to quote the interviewees. I provided the interviewees with the opportunity decline any of these requests. If an interviewee specifically requested the opportunity to approve quotes prior to publication, I provided such an opportunity. When interviewees declined to discuss a specific topic and explained their reticence, I noted the reason. (In some instances,

interviewees were bound by attorney-client privilege or non-disparagement agreements; in other instances, interviewees indicated that a topic did not merit attention or did not wish to discuss the topic for unspecified reasons.) If an interviewee provided information that conflicted with other information I had obtained, I addressed the apparent conflict either during the interview or in a follow-up e-mail exchange. I also relied on e-mail to address other follow-up questions and to confirm details of interviews that I did not record.

My approach has three significant limitations. First, while the LASED CBA has been widely cited as a model CBA, it was also arguably the first CBA in the US. As a result, problems encountered in the implementation of the LASED CBA may have been addressed only in subsequent CBAs. (Because evaluation of CBA outcomes is possible only after a CBA has been in place for some time, the outcomes of comparatively recent CBAs are less susceptible to evaluation.) Second, open-ended, semi-structured interviews invariably produce incomplete and contested accounts (Wildavsky & Hammer, 1989), and I therefore avoid relying on any single interview for my conclusions. Third, my focus on outcomes that are relatively reducible to dollar amounts precludes analysis of the coalition development and capacity building that CBA advocates cite as rationales for CBAs.

Implementation and Outcomes of the LASED CBA

I address my research questions by discussing, in turn, each major category of CBA provisions: jobs, affordable housing, and parks and recreation.

Jobs

The LASED CBA contained both non-binding goals and binding requirements related to jobs. The non-binding goals addressed wages and targeted hiring. Binding requirements included mandates for public reports indicating attainment (or non-attainment) of the non-

binding goals, as well as obligations for AEG to consult with the coalition about the selection of tenants. Coalition representatives whom I interviewed indicated that AEG has complied with the consultation requirements, although these requirements did not affect the selection of tenants, according to AEG's Executive Vice President for External Affairs (interview with Martha Saucedo, April 10, 2015). This subsection therefore focuses on the CBA provisions related to the implementation of the reporting requirements and attainment of the living wage and targeted hiring goals.

The CBA required AEG to submit an annual report to the city indicating the status of the 70% living wage goal, and it also indicated that the non-profit administrator of the targeted hiring program would submit annual reports to the city, providing detailed information about the employment of targeted job applicants in the LASED. AEG did not comply with its public reporting obligation until 2014.⁸ The 2014 report, summarized in Table 3, indicates that the project attained the 70% living wage goal by 2013, but it does not indicate whether the project was in compliance prior to 2013. Despite repeated inquiries, I was unable to obtain the targeted hiring reports from the non-profit entity responsible for submitting those reports to the city, and neither the city clerk nor AEG had any record of such reports.⁹

Although the living wage goal was reportedly attained by 2013, the role of the CBA in attaining that goal is ambiguous for three reasons. First, many employers in the LASED were probably covered by the city's living wage law, independent of the CBA.¹⁰ Although the law was not vigorously enforced immediately following its enactment in 1997, amendments to the city's administrative code and charter during the ensuing four years strengthened the law. Second, many jobs in the LASED, including those in the hotels, are covered by collective bargaining agreements between employers and labor unions.¹¹ Under the CBA, jobs covered

by a collective bargaining agreement qualify as living wage jobs, regardless of the actual wages paid. Third, as Table 3 indicates, LASED tenants include businesses such as a law firm, a marketing firm, and a broadcast network, which presumably must exceed the CBA's living wage requirements in order to attract qualified employees.

[INSERT TABLE 3 HERE]

The CBA, however, may have served as an important symbol in a long-term labor campaign that resulted in a stronger living wage law and the city's 2015 adoption of an ordinance that would increase the citywide minimum wage to \$15 per hour by 2020 (Reyes & Zahniser, 2015). Soja (2014, p. 236), for example, invokes the LASED CBA as an example of the Los Angeles labor movement's innovative efforts to promote social justice.

Affordable Housing

The affordable housing provisions of the LASED CBA focused on the development of units suitable for families with household incomes at or below 80% of an administratively determined area median income. The CBA required AEG to provide \$650,000 in interest-free three-year loans to specified affordable housing developers. More significantly, it also required all residential developers in the LASED to either develop or subsidize one affordable unit for every five housing units in the LASED. Yet, ambiguous language in the CBA ultimately allowed the LASED developers to fulfill the latter requirement in a way that covered only a fraction of the development cost for each required affordable unit. Moreover, although the CBA prioritized housing suitable for families, most of the units completed in fulfillment of the CBA are in a dormitory.

The CBA allowed developers to meet their housing obligations either on- or off-site. In either case, the CBA required developers of market-rate housing in the LASED to "develop or

cause to be developed" the mandatory affordable units, but it did not define the latter term. The city's initial DA with AEG compensated for this omission by conditioning the issuance of building permits for some of the market-rate units on the completion of some required affordable units. For example, the city would not issue building permits for more than 250 market-rate units in the LASED without proof that at least forty affordable units had been constructed in compliance with the CBA (City of Los Angeles, L.A. Arena Company, Inc., & Flower Holdings, LLC, 2001, sec. 3.1.3.11). Thus, the original DA gave AEG a strong incentive to ensure the completion of affordable units required by the CBA, even if the necessary financial contributions would be substantial.

AEG, however, later sold some of the land in the LASED to other developers, and asked the city to revise the DA to clarify AEG's affordable housing obligations and those of the new developers (City of Los Angeles, Office of the City Attorney, 2005; Los Angeles City Planning Commission, 2005, p. F-1). The revised DA, which the city approved in 2005, limited the developers' future contributions to \$40,000 for each affordable unit required by the CBA, with no adjustment for inflation (City of Los Angeles, L.A. Arena Land Company, Inc., Flower Holdings, LLC, FIDM Residential, Inc., & Figueroa South Land, LLC, 2005, attachment 6). In addition, the revised DA allowed the developers to claim half-credits for affordable units in projects that had already received building permits, if the developers provided gap financing other than the three-year interest-free loans required by the CBA. As Table 4 indicates, AEG obtained forty-six half-credits for gap financing contributions to ninety-two units in two off-site projects, at an average cost of \$24,620 per half-credit. As permitted by the CBA, AEG also obtained an additional 7.5 credits for fifteen units subsidized with one of the interest-free three-year loans required by the CBA.¹² Coalition members noted

that \$40,000 was insufficient to cover the cost of an affordable unit and sought a higher dollar amount per unit (Saito & Truong, 2015, p. 276). But the coalition had little legal recourse due to the ambiguity of the original CBA (interview with Sandra McNeill, March 6, 2014).

Table 4 includes my estimates of the nominal cash value of contributions made by the LASED developers to affordable housing. It is difficult to verify these contributions (see Riccitiello, 2013a, attachment C, p. 2), and many of the sources in Table 4 have not been officially audited or certified. My research suggests that the LASED developers made contributions with a total nominal value of \$13,185,000. This figure, which excludes the \$650,000 in interest-free loans, represents roughly ten percent of the total development cost of 366 units in five projects.¹³

[INSERT TABLE 4 HERE]

The revised DA also authorized one of the new developers, Figueroa South Land, to obtain affordable housing credits for its contributions to the construction of 200 dormitory units at an off-site YWCA. These units would be restricted to individuals aged 16 to 24 participating in an employment-training program for at-risk youth (Fixmer, 2005; Ovrorn, 2005). A coalition attorney objected to this provision before the city council adopted the revised DA, arguing that it conflicted with the CBA's requirement that – in connection with any off-site affordable units – the developers would give priority consideration to projects suitable for *families* (Perlmutter, 2005). But, in exchange for contributions to a community land trust, the coalition agreed not to press its case against Figueroa South Land (Cummings, 2008, p. 68). As a result of this agreement, AEG and the parent company of Figueroa South Land each contributed \$200,000 to the land trust (Saito & Truong, 2015, p. 276). The revised DA allowed Figueroa South Land to receive credit for its contributions to 130 of the 200 YWCA dormitory units, and Figueroa South Land was also permitted to obtain credit for the remaining 70 dormitory units that it subsidized by making payments of \$10,000 per credit to

the land trust (City of Los Angeles, L.A. Arena Land Company, Inc., et al., 2005, attachment 6).¹⁴

Table 5 indicates that, as a result of this compromise, 200 of the 377 affordable units for which the LASED developers may receive partial or full credit are unsuitable for families. One-hundred-seventy-six of the remaining 177 income-restricted units, which AEG subsidized, are 2-, 3-, and 4-bedroom units that are suitable for families. All of the units in Table 5 satisfy the income-targeting requirements of the CBA, although it is notable that – apart from the YWCA dormitory – all of the relevant housing developments were subsidized by the federal Low Income Housing Tax Credit program (LIHTC) (US Department of Housing and Urban Development, 2014). As Table 6 indicates, this program imposed even more stringent income targeting restrictions than the LASED CBA. As Table 5 indicates, the affordable projects funded pursuant to the LASED CBA also comply with the more stringent requirements of the LIHTC program. It is plausible to attribute to the CBA the housing units of the appropriate size and targeted to the appropriate income groups, although the requirements of the LIHTC program may better explain the income targeting. The 200 dormitory units, however, are clearly inconsistent with the goal of developing affordable housing projects suitable for families, although the funds allocated to the land trust may be used for such projects (see TRUST South LA, n.d.).

It is instructive to compare the LASED project to one nearby that was not developed under a CBA. Metropolitan Lofts, a 264-unit housing development one block away from the LASED, is depicted in Figure 1; the income targeting requirements for affordable units in this project were even more stringent than those of the LASED CBA. Because Metropolitan Lofts received LIHTC subsidies, the city's Community Redevelopment Agency required the Metropolitan Lofts developer to allocate at least 20% of the units to "very low-income"

tenants, i.e., those with incomes not exceeding 50% of the area median (Community Redevelopment Agency of the City of Los Angeles & F C Metropolitan Lofts, Inc., 2002, sec. 6.2). As Table 6 indicates, this was a higher proportion of units affordable to very low-income tenants than required by the LASED CBA. Monitoring reports mandated by the LIHTC program indicate that Metropolitan Lofts includes a higher proportion of units targeted to very low-income tenants than the affordable projects credited to the LASED developers (California Tax Credit Allocation Committee, 2011; US Department of Housing and Urban Development, 2014). Nevertheless, unlike some of the latter projects, Metropolitan Lofts contains no 3- or 4-bedroom units. This suggests that, while the LASED CBA may not have been necessary for the income targeting outcomes, it may have been necessary to ensure the development of affordable units suitable for relatively large households.

Overall, my analyses suggest that the LASED developers contributed to the required number of affordable housing units, although these contributions amounted to only a fraction of the total development cost of these units. The CBA did not produce as many units suitable for families as coalition members sought, although a land trust associated with the coalition received additional developer contributions which may mitigate those deficiencies. Moreover, LIHTC program requirements – rather than the CBA – appear to have been the binding constraints on the income restrictions for the affordable units other than those in the dormitory.

Parks & Recreational Facilities

The CBA was designed to ensure funds for parks and recreational facilities serving the low-income communities in the area surrounding the LASED. AEG agreed to spend up to \$75,000 on a needs assessment for this area and then to provide \$1,000,000 to fund the parks and recreational facilities consistent with the needs assessment. The CBA required the funded

projects to be completed within five years of the needs assessment; it also required the coalition to support AEG's requests for credits against the city's existing impact fees for parks and recreation, based on AEG's cash contributions.

My research shows that AEG complied with the CBA's funding requirements for parks and recreational facilities, contributing to the construction of a recreation center and improvements to a city park. The park improvements were finished within the time frame required by the CBA, but the recreation center was completed almost six years after the date required by the CBA.¹⁵ Both of the facilities to which AEG contributed funds were also supported by other funding sources. The recreation center, which was developed by the city's Community Redevelopment Agency and a non-profit community hospital, required at least \$5.9 million in public subsidies above AEG's contribution of \$500,000 (Essel, 2012, p. 3 & attachment B). AEG's contribution of \$500,000 for the city park improvements covered roughly 60% of the cost (City of Los Angeles, Department of Recreation and Parks, 2005, 2007).

Moreover, the \$1 million contribution made by AEG under the CBA may not represent a net contribution to public recreation facilities, because those funds can be substituted for some fees that would have been required of any developer in the area containing the LASED. Unfortunately we lack good information on the impact fees paid by the LASED developers (see Riccitiello, 2013a, attachment C, p. 1). But, in a 2013 lawsuit, a non-profit organization responsible for maintaining a park near the LASED alleged that the city's Community Redevelopment Agency had relieved the LASED developers from paying maintenance fees for the park, because of the CBA contributions made by the developers.¹⁶ An agreement involving the agency, the city, and the LASED developers indicates that the agency and the city

consented to such an arrangement (City of Los Angeles, Community Redevelopment Agency of the City of Los Angeles, et al., 2005, p. 12).

Coalition members were not necessarily concerned that the developers could offset their contributions against existing impact and development fees. Some coalition members felt they gained more control over the developers' contributions than they would have had over fees paid to city agencies. One of the coalition attorneys explains, "...what we wanted was funds that the coalition could have control of, [rather than fees] which disappeared into [a city account] and no one ever saw again" (interview with Jerilyn López Mendoza, April 17, 2014).

The LASED CBA, overall, appears to have succeeded in the goal of directing funds to parks and recreational services in under-served communities near the LASED. At the same time it may not have produced a net increase in spending on parks and recreation. Nor did it ensure the timely completion of one of the two funded projects, even though the CBA included a strict timetable for project completion.

Lessons of the LASED CBA

My research suggests that the developers subject to the LASED CBA technically satisfied most of the CBA's requirements related to jobs, affordable housing, and parks and recreation, but the effect of this compliance on outcomes is ambiguous. In particular, it is not clear that the LASED CBA yielded jobs, affordable housing units, or parks and recreation facilities beyond those that would have resulted from municipal mandates, federal regulations, and agreements between unions and employers. Moreover, the history of the implementation of the LASED CBA shows how difficult it is for community groups, even those supported by expert advisors, to anticipate all contingencies or to effectively monitor all relevant outcomes.

Advocates argue that CBAs can give community groups independent ways to address inadequate enforcement of existing laws by local governments. My research suggests that such enforcement benefits may exist, but that a CBA does not guarantee enforcement and that other enforcement mechanisms may be equally important. The LASED CBA did provide an independent means for the coalition to enforce the city's living wage law, although I have found no evidence that the coalition exercised this enforcement option. It also helped to ensure that funds for parks and recreation were spent on projects in under-served areas around the LASED, instead of languishing in an agency account. The CBA was less effective as a means of ensuring that affordable housing suitable for families was constructed, as the YWCA dormitory units demonstrate. (Nevertheless, in comparison to the Metropolitan Lofts project, the LASED CBA was more successful in generating affordable 3- and 4-bedroom apartments suitable for larger households.) Moreover, while all units completed in fulfillment of the CBA comply with its affordability requirements, they also comply with the more stringent requirements of the Low Income Housing Tax Credit program. Finally, the targeted hiring provisions of the CBA imposed potentially onerous administrative burdens on the coalition (see Gross et al., 2005, p. 46), which may help to explain why the required reports appear to be unavailable.

Although CBAs are private agreements between a developer and non-governmental organizations, the LASED experience demonstrates how community groups can use a CBA to influence the expenditure of public funds. The LASED developers provided only a fraction of the funds needed to construct the affordable housing, parks, and recreation projects in the neighborhoods surrounding the project. Most of the remaining funds came from multiple public sources and (in the case of housing) banks fulfilling their obligations under the federal

Community Reinvestment Act. The LASED case thus demonstrates that a CBA can help direct resources to under-served communities, but only a small share of those resources may come from the developers who are subject to the CBA.

Overall, my research on the LASED CBA suggests that the outcomes of such agreements are not clear-cut. It is difficult to discern the outcomes attributable to a CBA when they overlap with the mandates of government programs or agreements between unions and employers. It is also difficult to calculate how much private developers actually spend on promised benefits, in part because it is hard to ascertain the extent of normal development fees and costs that are forgiven because of developers' CBA spending. Moreover, even measuring the benefits described in a CBA – whether or not those benefits are attributable to a CBA – requires substantial effort. Collecting and verifying the necessary data may be challenging, even if reporting requirements are clearly spelled out in the CBA. And as the complexity of a CBA increases, so do the challenges of assessing outcomes and assigning responsibility for those outcomes.

Nevertheless, it does appear that CBAs can play important roles in community development if their potential is not overstated and community participants are aware of the pitfalls. CBAs can give community coalitions an independent mechanism to ensure that developers satisfy their pre-existing legal obligations and that governments adequately enforce existing laws and policies. CBAs can also direct public spending to under-served neighborhoods.

It is crucial to closely monitor and evaluate the growing number of CBAs across the US to ensure that they fulfill these important roles, although it is not clear who will conduct this monitoring. There is no guarantee that a community coalition will diligently monitor

implementation of a CBA, and some CBAs do not include public reporting requirements. As this article documents, moreover, even an exemplary CBA such as the LASED agreement can raise daunting challenges of monitoring and evaluation.

Notes

¹ A February 23, 2015 search for the term "community benefits agreement" or "community benefit agreement" from 2000 through 2010, covering all US newspapers and trade publications for which the "Newspaper Stories, Combined Papers" component of the LexisNexis Academic database had continuous coverage for the relevant period, indicated no mention of either term prior to 2004. Statistics for 2004 through 2010 are: 2004 – 8 articles; 2005 – 32 articles; 2006 – 50 articles; 2007 – 61 articles; 2008 – 108 articles; 2009 – 67 articles; 2010 – 67 articles.

² This CBA is sometimes described as the "Staples Center CBA," although it was negotiated after the development of the Staples Center arena. (The arena project did not involve a CBA.)

³ Meyerson (2006, p. 40) indicates that the first CBA was associated with the Hollywood & Highland project in Los Angeles. Hollywood & Highland predates the LASED, but did not involve a standalone agreement between community groups and a private developer. Instead, provisions related to community benefits were included in a disposition and development agreement between the developer and the Community Redevelopment Agency of the City of Los Angeles (Community Redevelopment Agency of the City of Los Angeles & TrizecHahn Hollywood LLC, 1998, 1999).

⁴ See note 1, above.

⁵ Any such estimate is inherently imprecise, both because some CBAs may not be publicly announced and because different people have defined the term differently.

⁶ As a legal matter, local governments have broad discretion in requesting concessions for direct subsidies (Been, 2010, p. 34). By contrast, for certain contributions exacted as conditions of land-use approvals such as environmental permits, the US Supreme Court has held that a government entity must be able to show an "essential nexus" between the contribution and the rationale for the entity's authority to deny the relevant permit. *Nollan v. California Coastal Comm'n*, 483 U.S. 825, 836-837 (1987). In addition, the government entity must also be able to demonstrate that the exacted contribution is "rough[ly] proportional[] ... both in nature and extent to the impact of the proposed development." *Dolan v. City of Tigard*, 512 U.S. 374, 391 (1994). These requirements apply not only when a government entity seeks a possessory interest in a permit applicant's land, but also to at least some monetary exactions. *Koontz v. St. Johns River Water Mgmt. Dist.*, 570 U.S. ___ [133 S. Ct. 2586, 2599] (2013).

⁷ At least one federal court has suggested that a development agreement may not be subject to the constraints of *Nollan v. California Coastal Comm'n*, the US Supreme Court decision described above in note 6. *Leroy Land Dev. v. Tahoe Reg'l Planning Agency*, 939 F.2d 696 (9th Cir. 1991).

⁸ Both a legislative assistant to the relevant city council committee and an attorney for AEG confirmed that AEG submitted no reports related to the living wage goal prior to 2014. It is possible that AEG's eventual compliance with the reporting requirement was a result of this research project. The 2014 living wage report was submitted to the city on the same day that I e-mailed an attorney for AEG, requesting such a report and explaining that the relevant city office had no record of it.

⁹ Saito and Truong (2015, p. 280) indicate that AEG "has met the CBA goals" related to targeted hiring, but they do not buttress this conclusion with evidence of project-wide compliance for any six-month period, as required by the CBA.

¹⁰ As of October 7, 2014, the City of Los Angeles did not maintain a comprehensive database of covered employers, according to a management analyst in the city's Bureau of Contract Administration. A 2002 contract involving the city and subsidiaries of AEG indicated, "In connection with the construction and operation of the [LASED], the Developer shall comply with the provisions of the City's Living Wage Ordinance and all regulations related thereto, to the extent applicable" (City of Los Angeles, Community Redevelopment Agency of the City of Los Angeles, L.A. Arena Land Company, Inc., Flower Holdings, L.L.C., & L.A. Arena Company,

LLC, 2002, sec. 19.20). A policy adopted by the Community Redevelopment Agency of the City of Los Angeles (2003) extends living wage requirements to certain entities receiving subsidies from that agency (see also Los Angeles City Council File No. 03-1245).

¹¹ The hotel collective bargaining is discussed in *Marriott International, Inc., d/b/a J.W. Marriott Los Angeles at L.A. Live* (21-CA-039556), 359 N.L.R.B. ____ (Sept. 28, 2012) at *8. Retrieved from <http://www.nlrb.gov/case/21-CA-039556>.

¹² Section IX.D of the LASED CBA stipulates that "for every two units of affordable housing ... created [through the use of the required three-year interest-free loans] in excess of 25% [of all units in the LASED], Developer shall receive a credit of one unit toward Developer's obligation to create affordable housing units; provided, however, that Developer's overall obligation for affordable housing units shall not be less than 15% [of all units in the LASED] due to any such reduction." AEG provided a \$350,000 interest-free loan for the development of the Alegria Apartments project, detailed in row [6] of Table 4, and a \$300,000 interest-free loan for the development of Casa Shalom, detailed in row [3] of Table 4 (Ricciello, 2013a, attachment C, p. 2). As of June 2013, 380 residential units had been completed in the LASED (Ricciello, 2013a, attachment C, p. 2), and AEG had claimed credit for contributions (other than the three-year interest-free loans) to 120 affordable units, as indicated in rows [1] through [4] of Table 4. Because the 120 affordable unit credits exceeded 25% of the 380 residential units in the LASED, AEG was entitled to half-credits for the Alegria Apartments units (Ricciello, 2013a, attachment C, p. 2). (AEG does not appear to have obtained half-credits for its interest-free loan for the development of Casa Shalom, perhaps because it has claimed half-credits for the units in this project based on a separate thirty-year forgivable loan of \$715,000.)

¹³ The amount of \$13,185,000 includes AEG's contributions for two child-care facilities located in affordable housing projects, which were required by the DA but not the CBA.

¹⁴ Despite inquiries to the city and an attorney for Figueroa South Land, I have been unable to determine whether the \$200,000 contribution to the land trust by Figueroa South Land's parent company yielded 20 credits. According to Sandra McNeill (e-mail correspondence with author, August 4, 2015), executive director of the land trust, Figueroa South Land's parent company has not made any additional payments to the land trust as of August 4, 2015.

¹⁵ The needs assessment was completed in November 2002 (Benbow, 2005, attachment C, p. 1); the recreation center opened in October 2013 (Valenzuela, 2014, p. 1).

¹⁶ First Amended Petition (May 10, 2013), *Grand Hope Park, Inc. v. CRA/LA*, Case No. 34-2013-80001444 (Cal. Super. Ct., Sacramento County), p. 18.

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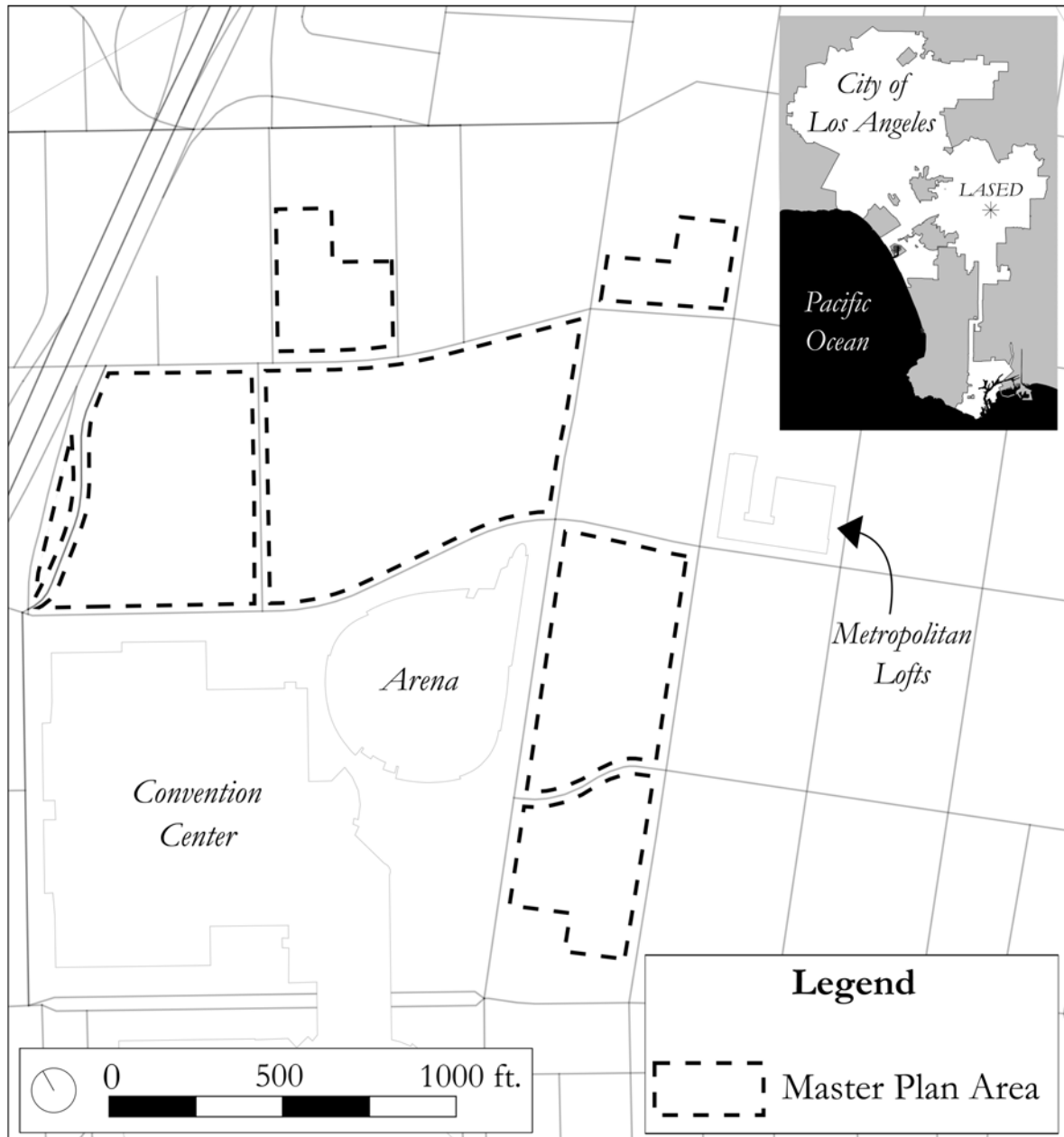
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Figure 1: Los Angeles Sports and Entertainment District (LASED) Master Plan Area



This map displays the area covered by the Master Plan summarized in Table 1. The Master Plan Area is also the area defined as the "Project" by the relevant environmental impact report (Los Angeles Department of City Planning, 2001, as amended) and the LASED CBA (sec. II, by reference to L.A. Arena Land Co., LLC et al. (2001)).

Sources: City of Los Angeles et al. (2010); TIGER/Line Shapefiles (2000, 2010), prepared by the US Census Bureau; Los Angeles Region Imagery Acquisition Consortium (2008). Map prepared by author.

Figure 2: Tract-level 1999 median household income, as a percentage of citywide median household income, in US Census tracts surrounding the Los Angeles Sports and Entertainment District



This map displays census tract-level 1999 median household income as a percentage of the citywide 1999 median household income for the City of Los Angeles (\$36,687).

Sources: Median household income: 2000 US Census, SF3, P53; Cartographic data: TIGER/Line Shapefiles (2000), prepared by the US Census Bureau. Map prepared by author.

Table 1: Los Angeles Sports and Entertainment District Master Plan

	2002 Master Plan	2010 Master Plan
Hotel	1,590,000 sf. (1,800 rooms)	1,389,106 sf. (1,498 rooms)
Retail/Entertainment/Restaurant/ Convention Uses*	1,215,000 sf.	1,174,312 sf.
Office	325,000 sf.	847,600 sf.
Residential	870,000 sf. (800 units)	2,783,294 sf. (2,065 units)
Non-Residential Educational	-	95,706 sf.
Total	4,000,000 sf.	6,290,018 sf.

Note: The Retail/Entertainment/Restaurant/Convention Uses category includes a 120,000 sq. ft. Health Club/Sports Club (2002) and a 127,327 sq. ft. cinema (2010), listed separately in the source documents.

Sources: City of Los Angeles, Community Redevelopment Agency of the City of Los Angeles, L.A. Arena Land Company, Inc., Flower Holdings, L.L.C., & L.A. Arena Company, LLC (2002); City of Los Angeles et al. (2010).

Table 2: Key Provisions of the Los Angeles Sports and Entertainment District (LASED) Community Benefits Agreement

	Category	Requirement	Enforceability	Status
[1]	Jobs	Developer agrees to a "Living Wage Goal of maintaining 70% of the jobs in the [LASED] as living wage jobs." ^a	Unenforceable	Goal attained as of 2013; prior attainment unknown
[2]	Jobs	Developer to "provide an annual report to the City Council[] ... on the percentage of jobs in the [LASED] that are living wage jobs."	Enforceable	In compliance as of 2014, but not previously
[3]	Jobs	If (1) less than 56% of the jobs in the [LASED] are living wage jobs in two consecutive years <u>and</u> (2) Developer has not complied with provisions including those summarized in rows [2], [6], & [7] of this table, then Developer will "meet and confer with the Coalition" in order "to determine mutually agreeable additional steps which can and will be taken to meet the Living Wage Goal."	Enforceable	Unknown due to non-compliance with [2]
[4]	Jobs	50% of jobs in LASED during a given six-month period to be filled with Targeted Job Applicants. ^b	Unenforceable	Unknown
[5]	Jobs	Non-profit organization described in row [8] to "submit annual aggregate reports ... to the City ... detailing the employment of Targeted Job Applicants in the [LASED]."	Ambiguous *	Unknown (city has no record of reports)
[6]	Jobs	Developer to notify Coalition of prospective tenants "[a]t least 45 days before signing any lease agreement or other contract for space within the [LASED]," unless "exigent circumstances" require otherwise.	Enforceable	In compliance
[7]	Jobs	At the request of the Coalition, Developer to "arrange and attend a meeting between the Coalition and [a] prospective Tenant ... [a]t least 30 days before signing a lease agreement or other contract for space within the Proposed Development," unless "exigent circumstances" require otherwise.	Enforceable	In compliance
[8]	Jobs	Developer to provide up to \$100,000 to a non-profit organization, which will "coordinate job training programs with appropriate community-based job training organizations" and "promptly refer qualified, trained applicants to employers for available jobs" in the LASED.	Enforceable	In compliance
[9]	Jobs	"The Developer, Tenants, and Contractors shall comply with the City's Living Wage Ordinance ... to the extent such ordinance is applicable."	Enforceable	Unknown

Table 2 (cont'd)

	Category	Requirement	Enforceability	Status
[10]	Housing	Developer to "develop or cause to be developed affordable housing equal to 20% of the units constructed within the [LASED.]" ^c	Ambiguous [†]	In compliance
[11]	Housing	Developer to "provide interest-free loans in the aggregate amount not to exceed \$650,000 to one or more non-profit housing developers.... Repayment of principal ... shall be due in full within three (3) years from the date the loan is made."	Enforceable	In compliance
[12]	Housing	"In connection with any off-site affordable units, Developer shall give priority consideration to creation of projects suitable for <i>families</i> in terms of unit size, location, and proximity to family-serving uses and services" (emphasis added).	Ambiguous	Of 377 income-restricted units, 200 are dormitory units, 1 is 1-bedroom, 92 are 2-bedroom, 59 are 3-bedroom, 25 are 4-bedroom
[13]	Parks & Rec.	Developer to pay up to \$75,000 for an assessment of the need for parks, open space, and recreational facilities in the area surrounding the LASED.	Enforceable	In compliance ^{††}
[14]	Parks & Rec.	Developer to "fund or cause to be privately funded at least ... \$1,000,000 ... for the creation or improvement of one or more parks and recreation facilities ... in a manner consistent with the results of the Needs Assessment" described above in row [13].	Enforceable	In compliance
[15]	Parks & Rec.	"The park and recreation facilities created or improved pursuant to this agreement shall be completed within five years of completion of the Needs Assessment" described above in row [13].	Ambiguous [‡]	In compliance with respect to park improvements, but not recreation center ^{††}
[16]	Parks & Rec.	Coalition to support Developer's application for credit against city's open space fees.	Enforceable	Unknown

Notes:

- a. "living wage jobs" include: "jobs covered by the City's Living Wage Ordinance [Los Angeles Administrative Code, §10.37]; jobs for which the employee is paid on a salaried basis at least \$16,057.60 per year if the employee is provided with employer-sponsored health insurance, or \$18,657.60 per year otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance); jobs for which the employee is paid at least \$7.72 per hour if the worker is provided with employer-sponsored health insurance, or \$8.97 per hour otherwise (these amounts will be adjusted in concert with cost-of-living adjustments to wages required under the City's Living Wage Ordinance); and jobs covered by a collective bargaining agreement" (LASED CBA, sec. V.A.3).
 - b. "Targeted job applicants include, among others, individuals whose residence or place of employment has been displaced by the STAPLES Center project, low-income individuals living within a three-mile radius of the [LASED], and individuals living in low-income areas throughout the City [of Los Angeles]" (LASED CBA, sec. VI.A).
 - c. Subject to adjustment, as described in note 12.
- * The LASED CBA describes the entity responsible for submitting this report as the "First Source Referral System." The "First Source Referral System" is not included in the list of signatories to the separate Cooperation Agreement involving the parties to the CBA (L.A. Arena Land Co., LLC et al., 2001). Neither the Cooperation Agreement nor the CBA identifies the "First Source Referral System" as a subsidiary or affiliate of any of those signatories.
- † The LASED CBA does not define the phrase "develop or cause to be developed."
- †† The needs assessment was completed by November 2002 (Benbow, 2005, attachment C).
- ‡ The LASED CBA does not oblige the LASED developer to construct or improve any of the parks or recreational facilities funded with the funds described in row [14], and it explicitly relieves the LASED developer of any "responsibility for operation or maintenance" of such parks or recreational facilities (LASED CBA, sec. III.D.1).
- ‡‡ Under the terms of the CBA, both projects were to be completed by November 2007, based on the completion date of the needs assessment. Work on the park was finished on June 30, 2007 (City of Los Angeles, Department of Public Works/Bureau of Engineering, 2010, p. 4-40), but the recreation center did not open to the public until October 2013 (Valenzuela, 2014, p. 1).

Sources: LASED CBA; author's e-mail correspondence with an attorney for AEG, a legislative assistant to the Economic Development Committee in the Los Angeles City Clerk's office, and an administrator of the non-profit organization described in row [8]; sources cited in Tables 3, 4, 5, and 6.

Table 3: Summary of Los Angeles Sports and Entertainment District Living Wage Goal Report for 2013

	<i>Living Wage Jobs</i>	<i>Non-Living Wage Jobs</i>	<i>Total Jobs</i>
L.A. Live	155	1	156
Staples Center*	609	4	613
Nokia Theater	323	0	323
Grammy Museum	32	2	34
AEG (incl. subsidiaries & affiliates)†	502	13	515
Hotels†	1,089	0	1,089
Corporate Headquarters & Business Services†	431	2	433
Other Entertainment†	51	239	290
Food Services†	237	976	1,213
Other†	1	0	1
Totals	3,430	1,237	4,667

Notes:

* The LASED CBA (sec. V.A.2) indicates that jobs within the Staples Center should not be included in the Living Wage Goal calculations for the CBA (see also L.A. Arena Land Co., LLC et al., 2001, p. 3). But Saucedo (2014) notes that, for the 613 jobs Staples Center jobs included in the Living Wage Goal calculation, "STAPLES Center is the primary employer but employees also work at [entities within the LASED]."

† Subtotals aggregated according to industry or, in the case of AEG, parent company. Aggregated categories consist of the following entities, with job subtotals reported in parenthesis (living wage jobs / non-living wage jobs):

- AEG (incl. subsidiaries & affiliates): AEG (168, 10), AEG Digital Media (2, 0), AEG Facilities (20, 0), AEG LIVE (167, 0), AEG Merchandising (19, 3), AXS Digital (64, 0), AXS TV (2, 0), Global Partnerships (27, 0), Los Angeles Kings (33, 0);
- Hotels: Courtyard Residence Inn (1, 0), Hotel Residences @ L.A. LIVE (5, 0), JW Marriott (1083, 0);
- Corporate Headquarters & Business Services: Bryan Cave LLP (6, 0), ESPN (240, 2), Herbalife (185, 0);
- Other Entertainment: Lucky Strike Lanes & Lounge (21, 74), Regal Cinemas (30, 165);
- Food Services: Conga Room (16, 43), ESPN Zone (16, 157), Fleming's Prime Steakhouse & Wine Bar (23, 91), Katsuya (33, 121), Lawry's Carvery (14, 18), Red Mango (1, 10), ROCK'N FISH (31, 66), Rosa Mexicano (18, 109), Starbucks Coffee (9, 20), The Farm of Beverly Hills (14, 80), Wolfgang Puck Catering (8, 4), Wolfgang Puck Bar & Grill (15, 77), Yard House (39, 180).
- Other: LA Cinemas (1,0)

Source: Saucedo (2014).

Table 4: Creditable Affordable Housing Units Completed as of April 1, 2014

Project	[a] LASED Developer Contribution	[b] Units	[c] Credits	[d] Total Development Cost (TDC)	[e] Developer Contribution as % of TDC
[1] James Wood Apartments	\$ 2,400,000	61 †	61	\$ 20,789,580	12%
[2] Pascual Reyes Town Homes	\$ 520,000	13	13	\$ 6,119,088	8%
[3] Casa Shalom	\$ 715,000 **	30 ††	15	\$ 8,300,000	9%
[4] Grand & Venice*	\$ 1,550,000 **	62 ††	31	\$ 21,133,464	7%
[5] YWCA Dormitory Units	\$ 8,000,000	200	130-200 ††	\$ 73,618,736	11%
[6] Alegria Apartments	\$ 350,000 loan‡	15 ††	7.5	\$ 3,745,586	N/A

This table displays information for housing projects completed as of April 1, 2014 for credit under the LASED CBA. In rows [1] through [5], the LASED Developer Contribution is denominated in nominal cash value as of the contribution date, regardless of the form of the contribution (i.e., grant or thirty-year forgivable loan).

Notes:

* A report on behalf of the LASED developers to the City of Los Angeles indicates the name of this project as "Mercy Housing" (Goldberg, 2014, pp. 6–7). According to federal government records, as well as the website of the non-profit Mercy Housing, Inc., "Grand & Venice" is the name of the project with 62 units (61 of which are income-restricted) located at the address indicated in the LASED developers' report (see Mercy Housing, 2014; US Department of Housing and Urban Development, 2014).

** Includes contribution for day care facilities required by a development agreement between the city and the LASED developers (City of Los Angeles et al., 2001, sec. 3.1.3.5; City of Los Angeles, L.A. Arena Land Company, Inc., et al., 2005, sec. 3.1.3.5).

† Includes one manager's unit for which AEG received one credit.

†† Includes one manager's unit for which AEG received one-half credit.

‡ No interest; repayment due within three years of disbursement (LASED CBA, sec. IX.C.2).

††† Developer is eligible for 130 credits by right, but must make payments of \$10,000 for each of 70 additional credits to the "Figueroa Corridor Land Company, the Figueroa Corridor Community Land Trust, or a non-profit, tax-exempt corporation designated by the Coalition to hold funds for these entities" (City of Los Angeles, L.A. Arena Land Company, Inc., et al., 2005, attachment 6, secs. 1.3.3.1, 1.3.3.3).

Sources: 1010 Development Corporation (2010) [3-d]; Benbow (2006a, p. 2) [5-b]; Benbow (2006b, pp. 2–3) [2-a, 2-d]; Robert Buente, 1010 Development Corporation (e-mail communication, December 4, 2014) [3-a]; Enterprise Community Investment, Inc. (2008) [1-d]; Los Angeles Housing Department (2005, pp. 3–5) [1-a]; Los Angeles Housing Department (n.d.) [6-d]; Ben Phillips, Mercy Housing (e-mail communication, January 5, 2015) [4-a, 4-d]; Riccitiello (2013a, attachment C, p. 2) [1-c, 2-c, 3-c, 4-c, 6-a, 6-c]; Smith and Ducey (2010, pp. 5–7) [5-a]; US Department of Housing and Urban Development (2014) [1-b, 2-b, 3-b, 4-b, 6-b]; US Department of Treasury, Community Development Financial Institutions Fund (2013) [5-d].

Table 5: Total income-restricted units in projects including affordable units creditable to LASED developers, by unit type and income limit

		Income Range (as % of Area Median Income)			TOTALS
		0-30%	31-50%	51-60%	
Unit Type	Dormitory	140	60	0	200
	1 Bedroom	1	0	0	1
	2 Bedroom	1	76	15	92
	3 Bedroom	0	48	11	59
	4 Bedroom	2	18	5	25
	TOTALS	144	202	31	377

This table includes all income-restricted units in projects listed in Table 4. The number of units is greater than the number credited to the LASED developers because some units entitle the LASED developers to one-half credit.

Sources: Sandy Bowles, Property Manager, Grand & Venice (telephone communication, September 21, 2015); Los Angeles Housing and Community Investment Department. (n.d.); Riccitiello (2013b, p. 4); Saito & Truong (2015, p. 274).

Table 6: Affordable Housing Requirements

Affordability Range (% Area Median Income)	Affordable Units as % of Units in Project			
	<i>LASED CBA (2001)</i>	<i>Community Redevelopment Agency Policy (2001)</i>	<i>Metropolitan Lofts (2002)</i>	<i>Low Income Housing Tax Credit Program</i>
0-50	6%	6%	20%	- OR 20%
51-60	7%	-	-	40% -
61-80	7%	-	-	- -
<110	-	9%	-	- -
<i>Total % Affordable</i>	<i>20%</i>	<i>15%</i>	<i>20%</i>	<i>40% OR 20%</i>

Sources: City of Los Angeles et al. (2001, attachment 4, sec. IX.B); Los Angeles Department of City Planning (2001, vol. I, p. 195); Community Redevelopment Agency of the City of Los Angeles & F C Metropolitan Lofts, Inc. (2002, sec. 6.2); US Department of Housing and Urban Development (2004, pp. 11–12).