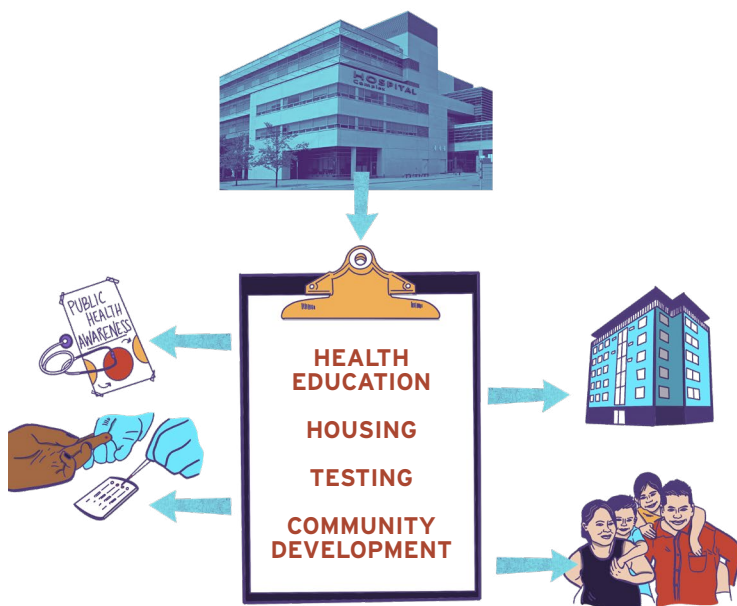


# The Answer

SHELTERFORCE

**Q:** What Does “Community Benefit” Mean?

**A:** This term means different things to people in the health sector and the community development or organizing sectors, which can get confusing.



## Hospital Community Benefit Requirement

Under the Affordable Care Act, nonprofit hospitals have a “community benefit” requirement. They must identify community needs through a planning process every three years, and then demonstrate what they are doing to meet that need. While many gravitate to familiar offerings like health education and testing, many hospitals have worked with community partners to include housing and community development projects in their community benefits support.

Read more in [“Organizing for Hospital Community Benefits.”](#)

## Community Benefits Agreements

Outside of the health sector, community benefits agreements typically refer to an agreement between a group representing a local community and a developer, in which a developer agrees to certain conditions, such as living wages, affordable units, or the development of green space) that will mitigate negative effects of the development in exchange for the community’s support of the project. The term has also been used to describe similar negotiations with financial institutions in exchange for support for mergers or during Community Reinvestment Act ratings.

Read more about [community benefits agreements](#).

