

Community Benefits in York Region

Research Report

May 2018

Dina Graser
Richard Macfarlane
Karen Myers, Blueprint-ADE
Kelly Pasolli, Blueprint-ADE



Table of Contents

Executive Summary	2
I. What are community benefits?	7
Community Benefits Approaches	7
1. Community Benefits Agreements (“CBAs”)	7
2. Community Benefits Legislation and Policies.....	11
Summary: Purpose, Structure, High-level Opportunities and Challenges	18
II. Case studies	20
Municipal Policy: Toronto	20
Public CBA, Private Development: The PARQ Resort and Casino.....	21
Public CBA, Public Infrastructure: Portland, Oregon	22
III. Which approach is most effective?	23
IV. Workforce development outcomes	24
Trends in workforce outcomes targeted through community benefits	24
What works for achieving workforce outcomes?	28
V. Benefits to local businesses	30
How can local businesses benefit?	31
VI. What does it cost?	33
VII. Legal framework	35
Provincial Legislation and Policy	35
Municipal Policies.....	36
Trade Agreements	37
VIII. Opportunities and challenges in York Region	37
IX. Recommendations for a Community Benefits Framework	39
X. Next steps	41
Appendix A: Common components of CBAs in the US.....	43
Appendix B: The UK approach.....	44
Appendix C: Legal framework	46
Appendix D: Employment outcomes from Regent Park Redevelopment.....	53
Appendix E: List of those interviewed	55
Endnotes	56

Executive Summary

What are community benefits, and why are they a good idea?

Community benefits are a proven, progressive way to maximize the benefits of dollars already being spent on goods, services, infrastructure and development to drive more equitable and inclusive economic growth.

Benefits typically include workforce opportunities on infrastructure or development projects (hiring programs targeted to local, low-income or traditionally disadvantaged communities, and support for job training and apprenticeships), and supply chain opportunities through the procurement of goods and services from small and medium sized or social enterprises (“SMEs/SEs”). Benefits can also include affordable housing, sustainability and energy reduction initiatives, public realm improvements, and many other things, depending on the needs and aspirations of the local community.

Community benefits can be an effective tool to accomplish many of the strategic goals of The Regional Municipality of York (York Region) including:

- strengthening York region’s economy and supporting community health and well-being
- enhancing progressive workforce development strategies for underemployed and unemployed residents, to support developing and retaining a region-wide workforce.
- increasing and sustaining rental housing
- building self-sustaining and healthy communities, recognizing the connection between the environment, health, human services, economic vitality and quality of life

What are the different approaches to community benefits?

There are two main categories of community benefits approaches: private and public.

Private Community Benefits Agreements (“CBAs”) are contracts signed between community groups, developers, and often local governments. CBAs can set out a wide range of benefits in exchange for community support and an agreement to refrain from litigation. A “public” CBA is a contract between a city and a developer, without a community signatory. Public approaches to community benefits generally consist of legislation or policies adopted by governments, anchor institutions, housing authorities or transit agencies and implemented through procurement. Community benefits can also be delivered through planning processes and development agreements, or through the asset management planning process.

Which approach is most effective?

This report, which reviews approaches from the US, UK and Canada, shows there are elements which are key to the successful implementation of community benefits, regardless of the form or model:

- Clear and measurable targets, defined outcomes, roles and responsibilities
- Requirements to monitor and enforce commitments
- Senior-level leadership/political will and an internal champion
- Alignment with other policy goals and strategies
- Implementation strategies and guidelines

- Robust community engagement
- Strategic partnerships
- Transparency and reporting

What is the best approach for targeted workforce opportunities?

Ensuring the effectiveness of community benefits requirements related to workforce outcomes requires setting clear and measurable targets, and ensuring robust tracking, monitoring and compliance. Experience elsewhere shows that “aspirational” targets are far less effective than mandatory ones. However, it is important to set targets that are reasonable, measurable, and can be delivered without risking quality, unduly increasing costs or lengthening a project timetable.

A clear workforce pathway (a process to recruit, train, place and support disadvantaged workers) and key partnerships are required as well, often involving workforce agencies, educational and vocational training organizations, and trade unions.

How can businesses benefit?

As with workforce pathways, making targeted opportunities successful for local businesses (particularly SMEs/SEs), includes setting clear and attainable targets and ensuring an effective process for monitoring and tracking.

In addition, economic development initiatives such as local or social procurement often require capacity-building on the supply side, particularly when small businesses and social enterprises are targeted. Groundwork must be laid through contractor and supplier outreach and education.

What does it cost?

Within procuring organizations, resources will be required for internal education, internal and external communications and materials, monitoring and compliance, engagement and outreach, in particular at the beginning of the program. Some of these items may be able to be incorporated into existing budgets. Depending on the scale, additional staff may be needed.

In most cases, governments are already involved in employment, training, and small business support programs. Further resources may be needed to ensure coordination in these areas, although existing structures can be adapted or grown to create backbone support.

Developers and contractors may also face costs, depending on the nature of the benefits provided. Where community benefits are included in procurements, it is important to be clear to bidders how any associated costs should be treated.

What is the legal and policy framework?

The use of community benefits in York region must take into account the existing legal and policy context, including but not limited to: municipal and provincial procurement laws and directives; trade agreements; the York Region Strategic Plan; and the Human Services Planning Board of York Region Action Plan.

In addition, the provincial *Infrastructure for Jobs and Prosperity Act, 2015* and more particularly the 2017 Long Term Infrastructure Plan commit to the use of community benefits in all major public infrastructure projects by 2020. Federal-provincial infrastructure funding was recently

announced and will also require community benefits. However, details respecting federal and provincial requirements for community benefits have not yet been made available.

What are the opportunities and challenges for community benefits in York region?

Identification of opportunities and challenges in York region, as drawn from materials and stakeholder interviews, paint a picture of a growing, prosperous and forward-thinking region that is nonetheless concerned about the affordability of housing, availability of jobs for young graduates, and social and economic barriers faced by newcomers.

Opportunities include:

- focusing on professional, administrative and technical jobs (“PAT”) for foreign-trained professionals and new graduates in design, engineering, and construction fields
- identifying lower-skilled and other kinds of jobs and training opportunities for disadvantaged workers such as homeless youth, low-skilled seniors living in poverty, people with disabilities, and non-English speakers (for whom construction and other avenues may offer more appropriate opportunities).
- mechanisms to connect small businesses and entrepreneurs with capacity-building programs, v partnerships and other avenues, to foster their ability to bid on contracts
- for anchor institutions, formation of an AnchorYork group as a way for institutions to learn together and share best practices.
- dovetailing community benefits with the work being done to promote and incent more rental housing in York region
- exploring complementarities with environmental and sustainability strategies

Interviewees highlighted the need to focus on disadvantaged groups, including homeless youth and those who do not speak English as a first language. Given York region’s strength as a centre for innovation, providing opportunities for new graduates and foreign-trained workers in PAT jobs was also of interest. It was suggested that making a concerted effort across York region to offer these opportunities could make York region a leader in a new kind of community benefits program – one directed to building on diversity with sustainable employment in the professions.

With respect to economic development, a focus on youth, entrepreneurs and small businesses was suggested. There are many programs for building the capacity of small businesses in York region, but there is a need to “connect the dots” for all of the players in the ecosystem.

Challenges identified include:

- lack of understanding of community benefits
- natural tendency to avoid risk and change
- lack of coordinated approach to providing advice and resources to small businesses and entrepreneurs
- need for a compelling narrative that speaks to civic pride and helps parties understand the value proposition.

Housing affordability was cited not only as a problem for those of low-income or homeless youth, but also as a key issue when it comes to attracting talent to York region. Pockets of poverty also exist, although it is not top of mind for many. Transportation also came up frequently, including the difficulty of ensuring those in more rural areas of the region could travel to jobs and economic development opportunities elsewhere.

Recommendations for a Community Benefits Framework

This report provides preliminary recommendations to inform the creation of a Community Benefits Framework. Based on our research, analysis and interviews, we recommend:

1) Priority areas

- (a) Workforce opportunities for young graduates, newcomers (i.e. arrived in Canada within the last five years), internationally-trained professionals, and members of disadvantaged groups (defined as those who experience discrimination or barriers to equal opportunity, including Indigenous people, racialized groups, LGBTQ+ people, at-risk youth, the working poor, people with disabilities, the long-term unemployed and women);
- (b) Supply-chain opportunities for SMEs/SEs, in particular small businesses and entrepreneurs, including those owned and led by newcomers or members of disadvantaged groups; and
- (c) Opportunities for communities to pursue local objectives, for example affordable housing, public realm improvements, environmental initiatives, etc.

2) Approaches

- (a) Community benefits in procurement – using the spending power of municipalities and institutions to support targeted workforce and apprenticeship opportunities for disadvantaged groups in service contracts and public infrastructure projects over a certain threshold, and supply chain opportunities for goods and services where appropriate.
- (b) Community benefits in development – using public CBAs to require developers to create affordable rental housing where section 37 of the Planning Act or inclusionary zoning requirements do not apply, as well as to require targeted workforce opportunities and targeted procurement of goods and services where projects are of a sufficient scale.

3) Monitoring, tracking and compliance

A monitoring and evaluation framework will set out key performance indicators and an approach to monitoring compliance with community benefits requirements. Certain core measures that should be consistent across the region will be identified. Evaluation will be considered across individual contracts and initiatives as a whole. Suggestions will be made about how to evaluate long-term impact of community benefits on the practices and perceptions of those in the broader eco-system, including employers, community, workforce development agencies, and other partners. Mechanisms for ensuring compliance will be suggested.

4) Resources

Resources will be required by the different parts of the ecosystem to make community benefits work, and will be further identified in the Framework. For example, organizations adopting community benefits approaches will require staff training, implementation guidelines, and resources for community and stakeholder engagement, monitoring and enforcement. Systemic elements such as a workforce pathway and coordination of capacity building or supply chain initiatives may need initial funding or resources as well.

What are the next steps?

Once the Framework is drafted, a series of roundtables should take place with communities and stakeholders to discuss and refine the proposed areas of focus, approaches, backbone supports and benefits. Engaging key stakeholders and prospective partners across York region will ensure we are addressing different needs and perspectives, and considering the processes and systems that allow for successful implementation.

As the Framework is being finalized, work will begin on a toolkit – a set of resources to help guide the implementation of community benefits across York region. The toolkit will provide practical help for organizations that are interested in using community benefits, but aren't sure where or how to start. It will set out a recommended approach and provide precedent tools and templates that organizations can adapt to fit their own practices and policies.

A note about language: In this document, “York Region” – with a capital “R” – refers to the Regional Municipality of York, i.e. the level of government. The use of “York region”, with a small “r”, indicates the geographic area.

I. What are community benefits?

“Community benefits” is a term that is used in many different ways, depending on the context.¹ In this report, “community benefits” are defined as *additional physical, social, economic and environmental benefits for local communities that are leveraged by dollars already being spent on goods, services, major infrastructure and land development projects.*

All public goods are intended to benefit communities, but the benefits contemplated here are additional to those normally envisioned. They usually include hiring programs targeted to local, low-income or traditionally disadvantaged communities, support for job training and apprenticeships, and local or social procurement. However, benefits can also include affordable housing, energy reduction initiatives, public realm improvements, and many other things, depending on the needs and aspirations of the local community.

Since community benefits requirements can be made part of the procurement or tendering process by governments or public institutions, the term “community benefits” is sometimes called “social procurement”, “social purchasing” or “social clauses”. Ultimately, these definitions all refer to ways in which dollars can be spent more intentionally to fulfill the objectives or mission of the procuring organization, and foster more equitable economic development.

For governments, community benefits offer a way to achieve multiple policy objectives with the same dollar. By ensuring there are opportunities for small, medium-sized and social enterprises (SMEs/SEs), community benefits build the local economy and encourage economic growth. By targeting jobs and training opportunities for those who have difficulty accessing the labour market, community benefits help to reduce poverty, expand the skills available in the labour market, grow the tax base and increase social inclusion. And by incorporating other benefits that are defined through the inclusive engagement of local communities, community benefits build social capital, help lower NIMBYism, and reduce risk on large infrastructure projects.

Community Benefits Approaches

There are different approaches to community benefits, depending on the jurisdiction, the players, and the context. Two main approaches are discussed here:

1. Community Benefits Agreements, private and public
2. Community benefits legislation and policies, used by governments or anchor institutions, that guide
 - a) procurement,
 - b) planning and development, and/or
 - c) asset management

1. Community Benefits Agreements (“CBAs”)

A CBA is an enforceable contract, usually between a coalition of community groups and an infrastructure builder or developer. The developer agrees to provide specific benefits for a project that have been defined by the community through an inclusive engagement process. In exchange, the community groups agree to support the project and to refrain from litigation, often by signing a cooperation or settlement agreement. CBAs arose, and are still most commonly used, in the US. (Graser, 2016; Gross, 2008)

Municipalities may be a party to the agreement; in the U.S., some require that a CBA be incorporated into, or attached to a development agreement in exchange for a developer

receiving municipal subsidies or incentives.² Even when they are not formal parties to the agreement, municipalities often play an informal brokerage role between communities and developers in CBAs. In some cases, a municipality and a developer may sign an agreement without a community signatory. And in at least one case, a municipality signed multiple agreements: one with the community, one with the developer, and one with trade unions.³

Critics of CBAs argue that they are a sign of a deficient land use planning process, or that they allow municipalities to offload responsibility onto private parties to pay for benefits that should otherwise be provided by government. (Camacho, 2013) Supporters of CBAs see them as a way to ensure that local communities – particularly historically disadvantaged groups - benefit directly from the investment in their neighbourhoods, and argue they can resolve conflict and offset negative impacts of large developments like displacement or gentrification. (DeBarbieri, 2016). Both views have merit, depending on where and how they are used.

For conceptual clarity, this paper distinguishes between private CBAs, which involve communities or community coalitions as negotiators and co-parties to an agreement; and public CBAs, which are agreements between municipalities and developers, without a community signatory. There are advantages and disadvantages to each.

a) Private CBAs

The primary distinction between private CBAs and other models is that they are instigated, negotiated and signed by community coalitions.

CBAs negotiated between community coalitions and developers arguably provide the strongest results for communities, but they require a degree of community organizing and sophistication that often is not found in Canada. Even in the US, where powerful and well-funded intermediaries like the Los Angeles Alliance for a New Economy (LAANE) or the Partnership for Working Families work with motivated community coalitions, sustaining such coalitions over time is challenging. Cities often become signatories to CBAs in part because they have the resources communities may lack to monitor and enforce agreements over time.⁴

The process of organizing itself can build community capacity and social inclusion. In theory, where well-organized community coalitions are not present, developers can drive community engagement processes. However, questions of representation can pit communities against each other, especially when there is a suspicion that community groups have been “hand-picked” by the developer.⁵

Developers enter into CBAs for several reasons. First, negotiating a CBA with local community groups can ensure that any concerns with the project are addressed up front, preventing delay and litigation down the road. As such, a CBA is a form of risk management. Second, signing a CBA can, depending on the jurisdiction, help expedite regulatory approvals needed for the project. Third, a CBA can help build political buy-in and allies for a project, since elected officials are ultimately accountable to their communities. And finally, a CBA can help a developer reinforce its brand as a good corporate citizen.

THE FIRST CBA: THE STAPLES CENTRE

A landmark CBA that set the precedent for many that followed was negotiated for the Los Angeles Sports and Entertainment District in 2001 (the “Staples CBA”). Approximately \$1.3M in benefits was created from this \$2.5B, 27-acre mixed-use project, including parks and open space, recreational facilities, 300 units of affordable housing, a revolving loan fund for local business and a jobs program, with 70% of the jobs paying living wages. The Figuera Corridor Coalition for Economic Justice was comprised of 30 different community groups and spent nine months negotiating the deal with the developers; it also signed a cooperation agreement, in which it agreed to support the project and relinquish any legal claims. This support enabled the developer to win major concessions from the city. Ultimately, the Staples CBA was incorporated into the development agreement between the developer and the California Redevelopment Agency (CRA) in L.A., which meant it could be enforced by the city, as well as the community coalition. (Salkin and Lavine, 2008)

Since that time, numerous CBAs have been signed in the United States, with a wide range of benefits, as shown in Appendix A.

Private CBAs have proliferated in the US since the early 2000s, where they are used mostly with large-scale developments, where the local community fears displacement, gentrification or other negative impacts.⁶ Most of these projects are large enough to provide significant workforce opportunities.

While not as common, CBAs can also be signed between governments and community coalitions for public infrastructure projects.⁷

b) “Public” CBAs

Public CBAs are contractual agreements between municipalities and developers that are usually made part of, or attached to, development agreements. This is a tool to ensure that private dollars go to support public objectives beyond simply land use or capital improvements, such as workforce development or economic growth.

Depending on other requirements in the planning process, public CBAs can encounter resistance from developers. As discussed in more detail below, in Ontario, Section 37 of the *Planning Act* already allows municipalities to require contributions from developers in exchange for increases in height or density of a development. Similarly, in England, agreements under s.106 of the *Town And Country Planning Act* mostly relate to payments or facilities that

developers must provide to make the development acceptable to the Planning Authority, including contributions towards, e.g. roads, water and sewerage infrastructure. Developers may thus feel that community benefits are an unnecessary and sometimes expensive “add-on”. They also may pay high development charges already, depending on the municipality. Finally, some argue that to add in a requirement for additional community benefits may deter investment.⁸

As with private CBAs, where community groups are not signatories, fulsome consultation is required so that there is no accusation that certain community groups have been hand-picked to determine or receive benefits by the city or the developer.

Public CBAs offer some of the same advantages as private CBAs: the existence of a contract ensures clear and distinct roles for each party, fosters enforceability, and promotes accountability and transparency. In addition, using public CBAs to pilot community benefits approaches can be a useful step prior to moving to an overall policy.

In Vancouver, for example, a succession of pilot projects – starting with the Vancouver Olympic Village, and most recently the PARQ Casino project – has led to successful results. Based on the lessons learned from those projects, the City of Vancouver is creating a community benefits policy as part of its Healthy City Action Plan and the community development strategy for the downtown east side. Although the policy is still under development, it will likely create a model whereby the city engages with community groups and then strikes a community benefits agreement with a private developer for major projects (in addition to a standard development agreement), focusing on labour and procurement. Place-based community groups will ensure the community voice is represented in discussions. A multi-stakeholder advisory group, with technical knowledge (including representatives from workforce agencies, procurement, labour, etc.) will oversee implementation of CBAs, including issuing an RFP for an independent compliance monitor who will be accountable to that group.

An important issue in public CBAs is how any additional costs to the developer or contractor are treated. Where a CBA is negotiated then the parties may agree on the distribution of such costs e.g. any resources to be provided by the developer to deliver the CBA obligations. This is discussed further in Section VI below.

Trends

CBAs have traditionally focused on opportunities surrounding the construction of major projects, but are beginning to incorporate commitments to longer-term or higher-skilled jobs. For example, at the Regent Park redevelopment in downtown Toronto, Toronto Community Housing Corporation (TCHC) had mixed success placing tenants into jobs on the construction site, but were very successful in incorporating provisions that required retail tenants in the development to hire locally. As demonstrated in Appendix D, The Royal Bank of Canada, Sobeys, Tim Hortons and Artscape were among the employers that filled permanent jobs.

This has also been reflected in more recent US agreements. In Oakland California, the redevelopment of an army base in 2012 led to three separate agreements: a CBA between the City of Oakland and a coalition of community groups; a Project Labour Agreement (PLA) between the City and trade unions; and a development agreement between the City and the developer that contained not only construction jobs policies for both the private and public

developments on the site, but an operations job policy to cover non-construction jobs in businesses owned both by the developer and tenants on the site.⁹

Recently, Facebook signed a CBA with the community and the cities of East Palo Alto and Menlo Park for its 2016 campus expansion. In addition to providing significant funds to spur affordable housing, it also agreed to contribute \$625,000 toward job training for science, technology, engineering and mathematics jobs, and to establish a dedicated full-time local community liaison officer who will be responsible for connecting local community members with open positions at Facebook.¹⁰

Key learnings:

- Construction opportunities are only one piece of the puzzle; longer-term jobs in maintenance, operations, or with businesses or services on site may be more sustainable and have greater impact.
- Connecting local or disadvantaged workers with STEM training and jobs can address changing needs in the labour market.
- Pilot projects allow a city to test different approaches prior to creating an overall policy.
- It is important to be clear on how any associated costs are covered.

2. Community Benefits Legislation and Policies

Community benefits have been encouraged or required in legislation, policies, and bylaws in different parts of the world. While most often effected through procurement, such policies have also been tied to particular developments or districts through municipal ordinances or bylaws, or used to inform decisions in the asset management planning process.

Environmental and sustainability initiatives have led the way in some areas. Whether it is the push for LEED-certified buildings, green roofs, or carbon reduction initiatives, many municipalities, in particular, have adopted policies that acknowledge the community and economic benefits of more sustainable communities. In addition, the field of sustainable procurement is beginning to include not just environmental but also social sustainability.¹¹ Environmental benefits can be included as part of community benefits initiatives, and vice versa, but up to now they have generally been considered to be complementary in nature.

a) Community Benefits in Procurement

Placing community benefits requirements in procurements, either for infrastructure or for goods and services, is by far the most common strategy used by governments in the UK and Canada, although there are instances of this in the US as well. Because this is implemented by way of specific provisions in tenders, bid documents and ultimately project agreements, this is sometimes referred to in reports as “community benefits clauses”.

The advantages of implementing community benefits through procurement are that a government can create a consistent approach that directly leverages taxpayer dollars it is already spending to achieve a set of wider policy objectives, including, for example, those relating to training and workforce development, and 'supply-chain' and business development. This requires an initial investment in changes to processes, internal and external communications, staff time and data-collection and reporting systems; however, using community benefits clauses in procurement should not require spending significant additional resources by procurers once these changes are in place.

Regular inclusion of community benefits clauses in public procurements also helps educate contractors and build a system-wide approach to implementation, monitoring and enforcement, making it “business as usual” rather than a series of one-off projects. Finally, the process of engaging communities to determine relevant benefits builds social inclusion, community capacity, and ensures the unique needs of each neighbourhood are considered.

The disadvantage is that unless there is a process put into place to engage fully with community groups in neighbourhoods targeted by such policies, the clauses risk being “cookie cutter” and thus will only achieve part of what is possible. Community engagement should take place early, ideally during the planning process for a project, to allow benefits to be considered well in advance of procurement. Moreover, unless a robust system is put into place to monitor performance and ensure compliance, this can easily become another routine exercise without real results. The commitment of the procuring organization – including technical information and assistance for contractors, and suppliers, relationships with workforce agencies, and internal resources – is required to ensure community benefits goals are achieved.

The use of community benefits in procurement can be led by senior levels of government, by municipalities, housing authorities, anchor institutions and/or transit agencies.

When senior levels lead: the UK

As set out more fully in Appendix B – Experience in the United Kingdom – national governments have primarily taken the lead through legislation in the UK and Ireland. Of note, this legislation has run from being aspirational – such as the UK *Social Value Act*, which has been considered relatively ineffective as it required procurement bodies in certain instances to merely “consider” including wider social, economic and environmental benefits – to more prescriptive, such as the Scottish *Procurement Reform Act, 2014* (“PRA”).¹² The PRA requires the consideration of community benefit requirements for all regulated procurements of £4 million or more and places detailed requirements on contracting authorities with respect to transparency and consultation.¹³

Later projects have become more focused on results. In Northern Ireland, the Procurement Board’s “Buy Social approach” is mandatory in projects with a value exceeding £2 million for construction, £4 million for infrastructure and £500,000 for services. It emphasizes “first-job opportunities” that target the long-term unemployed, apprentices and young people.¹⁴ Guidance on the approach is available on the internet¹⁵ and a Buy Social Unit provides support to procurement teams and operates a monitoring and reporting service.

Municipal policies

There are a variety of approaches to community benefits used by municipalities and in some cases housing authorities. Most use community benefits policies to require targeted employment and skills training for unemployed or disadvantaged groups; but there are also a number of economic development initiatives that seek to diversify supply chains and ensure there are opportunities for local businesses. In some cases, these requirements are only targeted to infrastructure projects, but more recent policies have extended into smaller construction contracts and the procurement of goods and services.

In the UK, Local Authorities and Housing Associations have been working with community benefits in procurement through pilots and policies since the City of Manchester first used it in 1984. However it was not until 2006 - after the EU formally encouraged contracting authorities to seek wider social benefits as a part of procurement - that the UK Government issued guidance. ‘Social issues in purchasing’¹⁶ set out a step by step guide on how to incorporate

additional social issues into procurement. A non-exhaustive list of social issues is included in the document including 'community benefits' that is described as including: supply-chain opportunities for local small and medium-sized businesses; those run by women, ethnic minorities and other disadvantaged groups, and the voluntary and community sector; training and recruitment opportunities; issues of locality; and community buy-in.

Today, one of the most comprehensive Social Value policies in the UK has been produced by the Association of Greater Manchester Authorities which includes a standard definition, practical advice on how to incorporate social value into procurement, an e-learning module and case studies.¹⁷ Birmingham City Council is also amongst a small range of UK Local Authorities that have developed policies and practice around 'social value'.

THE CITY OF BIRMINGHAM

Birmingham, England, adopted a Procurement Policy for Jobs and Skills in 2010, with the goal of boosting the local economy by leveraging the city's £1 billion purchasing power.

Birmingham's "Charter" is a set of guiding principles that extend to their contracted suppliers, which seek to maximize economic, social, and environmental outcomes and which require commitments by suppliers to local employment, local purchasing, sustainability, and ethical procurement.

The involvement of the business community and key stakeholders was a key component of the success of the policy. The importance of support for internal and external players was also stressed. Achieving initial buy-in within government was difficult: it took senior management leadership, time, work and communications at every level to shift the culture and the practice of those in various departments, and the procurement division in particular, to ensure that the policy is implemented for all contracts from the beginning of the process. Communication at all relevant levels needed to show how the approach has resulted in positive outcomes. By 2015, over 255 charters were in place with Birmingham companies and it the program is considered very successful in meeting its objectives.

In the US, while many cities have signed CBAs, they have been slower to promulgate community benefits policies per se. Rather, they have focused either on aspects like living wages, or applied community benefits to particular districts or developments by ordinance (bylaw).

In Los Angeles, the city has effectively achieved a community benefits policy by adopting a number of ordinances that apply to California-based companies undertaking public works contracts for the city. These include a master Project Labour Agreement ("PLA")¹⁸ for infrastructure over a certain threshold, living wage policies and diversity requirements for contracting of women and minority-owned businesses, and targeted hiring requirements that call for 30% of apprentices to be local and 10% disadvantaged. At the city, the Department of Contract Administration oversees, tracks and enforces these requirements; it also reviews monthly payroll reports and imposes financial penalties for non-compliance. Contractors' reports are posted on the website of the City of L.A.

Other US jurisdictions, like Milwaukee¹⁹ and Atlanta,²⁰ have chosen to implement community benefits through policies, ordinances or bylaws that pertain to certain types of developments or districts. In England, local Planning Authorities have in the past used a legal agreement under s. 106 of the *Town And Country Planning Act* (similar to Ontario's s. 37 of the *Planning Act*, discussed in s. VII below) to require contributions or community benefits commitments from developers, including in connection with workforce or training opportunities.²¹

In Canada, community benefits clauses in procurement are emerging as an area of increasing interest among municipalities in British Columbia, Alberta and Ontario:²²

- In B.C., social procurement policies have been enacted or piloted by a cluster of small municipalities and agencies, mostly on Vancouver Island,²³ and most recently by the City of Victoria.
- The Regional Municipality of Wood-Buffalo became the first municipality in Alberta to create a social procurement framework in 2016, directed primarily at supplier diversity (by improving access and opportunities for small businesses and social enterprises to city contracts).²⁴
- Last year the City of Toronto approved its Social Procurement Policy and Program, focused on providing better access to the City's supply chain for diverse suppliers, and leveraging capital projects to provide meaningful training and employment opportunities for economically disadvantaged and equity-seeking groups.²⁵

THE CITY OF VICTORIA

The City of Victoria's Social Procurement plan, titled: "Good Jobs + Good Business = Better Community" is a five-year plan that aligns with other economic development tools used by the city (like benchmarking and living wage policies), designed to ensure a more inclusive and sustainable economy. The Social Procurement plan sets out recommended actions to ensure the City's procurements maximize community benefits, strengthen Victoria's small business sector, and provide opportunities for people who are out of the workforce. (Mayor's Task Force on Social Enterprise and Social Procurement, 2017)

Housing

Housing authorities have used community benefits clauses with some success in both new developments and in revitalization projects. For example, the Glasgow Housing Authority has been using community benefits in procurements for about 10 years, and recently the City of Glasgow announced it will spend over £1 billion on 10,000 new affordable housing units, with community benefits included as a core principle.²⁶

In Canada, both Manitoba Housing and TCHC have used community benefits. Manitoba Housing has a track record of using social enterprises, while TCHC has been using community benefits in large redevelopment projects since 2010. At Regent Park, TCHC partnered with a private developer, Daniels Corporation, in what was arguably the first use of community benefits in the city. TCHC and Daniels have transformed a low-income social housing development into a mixed-use community that combines affordable housing with market condominiums,

commercial and retail spaces, community facilities, a cultural centre and parks. Extensive community consultation, construction jobs and training that focused on the low-income tenants of the complex, and employment opportunities with the retail tenants during the operations phase were all included in the project. (Graser D. , Community Benefits and Tower Renewal, 2016).²⁷

Anchor Institutions

Anchor institutions – major, publically funded, place-based organizations like hospitals and universities, or even municipalities – use a variety of strategies to fulfill their mission through procurement.²⁸ This can include directing a percentage of their purchasing to local vendors, helping incubate or support new businesses and social enterprises, leveraging real estate to promote local retail operations, and investing in community venture capital funds. (Dragicevic, 2015)

In Toronto, a group of 18 anchor institutions from across Toronto have been meeting since 2015 (including York University and Seneca College). Now known as AnchorTO, the group has committed to using their current and planned procurements – which collectively total \$17 billion - to generate positive socioeconomic outcomes for their communities. Work is underway, through the City of Toronto, to create a common blueprint and resources for procurement staff of the participating institutions. The focus, at least at this initial stage, is on supplier diversity and social purchasing, as well as workforce development initiatives, although a wider range of community benefits may be addressed down the road. AnchorTO expects to launch a set of resources and an assessment tool in the spring of 2018.²⁹

Infrastructure Agencies

Another highly effective route for community benefits is through infrastructure delivery agencies. Transit agencies in particular have a track record of including community benefits requirements in construction projects – Metro in LA, for example, requires that 40% of its workforce be drawn from the local area, of which 10% must be from disadvantaged communities.

Metrolinx negotiated a Community Benefits Framework in 2014 with the Toronto Community Benefits Network, a coalition of community and labour groups. The Framework commits Metrolinx to including community benefits programs for the Toronto Transit Projects which include several planned Light Rapid Transit line (LRT) projects. The framework outlines high-level principles and partners involved in delivering community benefits.

The first project included under the framework, the Eglinton Crosstown LRT construction, is being delivered through Ontario's Alternative Financing and Procurement mechanism. The Project Agreement states that the successful contractor, Crosslinx Transit Solutions, is responsible for developing plans to support apprenticeship opportunities, workforce development, social enterprise, social procurement and community improvements. However, the agreement did not include specific, enforceable targets. A separate Declaration was negotiated further along on in the process that commits to a goal of having apprentices or journeypersons from historically disadvantaged and equity seeking groups perform 10% of all trade and craft working hours on the project.

The notion of an aspirational Declaration – as opposed to embedding targets in RFPs and project agreements - is problematic because it is not a legally binding commitment, and does not include any specific processes or requirements for tracking and reporting of results, or for ensuring compliance.

Trends

A recent “Buy Social” conference in Ottawa brought together representatives from all three levels of government, universities, nonprofit organizations, social enterprises and housing agencies to share learnings and discuss how to maximize opportunities and streamline processes. Many are using pilot projects to test different approaches. Discussion topics ranged from how to redefine “value for money” to include wider considerations in procurement, to the need for senior-level champions, the importance of measurable targets, and methods of tracking and evaluation.

Key learnings:

- Procurement and other staff need internal education, policy direction and support from senior management to provide the permission space to do things differently. Finding a champion who is as close to the top as possible will send the policy signals to procurement divisions, who may not otherwise take the first step
- It is critical to set mandatory CBA targets (e.g. for workforce and procurement targets) in bid documents and in the project agreement for a major infrastructure project.
- It is important to clarify how any associated CBA costs are to be treated in tender documentation and pricing schedules.
- Monitoring and reporting requirements must be built in from the very beginning so that general contractors can pass these provisions through to their subcontractors and trades, or compliance becomes very difficult.

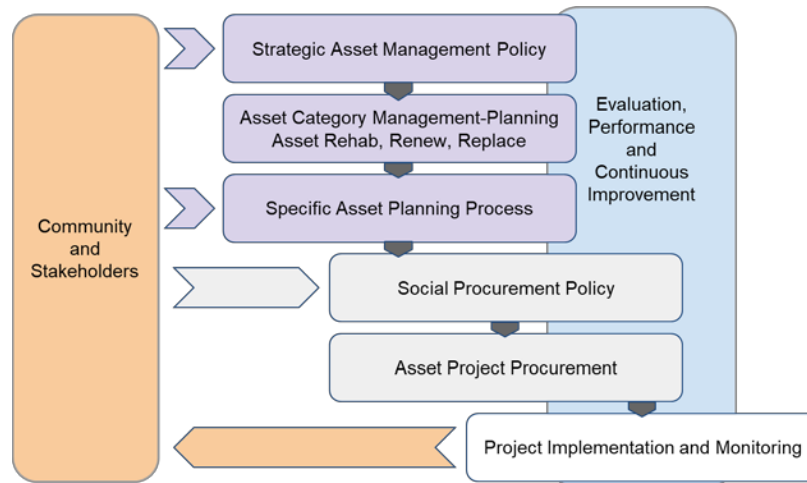
c) Community benefits in asset management planning

A final model, applicable to municipal governments, is including community benefits in the municipal asset management planning (“AMP”) process, so that it is part of decisions being made about how to address the renewal, replacement or operation of assets.

The advantage of using community benefits in AMP is that it prioritizes, from the very beginning, those projects which are certain to bring the most benefit to local communities. It also integrates consideration of community needs and priorities “higher up” in the decision-making process, which helps to ensure that they are embedded in to operations, planning and procurement as necessary.

The disadvantage of this approach is that it cannot work in isolation: once the projects have been chosen, there is no guarantee that the foreseen benefits will materialize unless there are other policies and requirements that carry them forward. The role of the community and stakeholders should also be considered, as demonstrated in the following figure:

Opportunities to systematically integrate community benefits



Legend: Opportunities to engage and inform Supplemental benefits from infrastructure

Source: Graser & Leanage, 2016

As discussed in more detail in Appendix C, section 3 of Ontario's Infrastructure and Jobs for Prosperity Act (IJPA) requires that community benefits be considered in infrastructure planning and investment. Regulations requiring municipalities to create strategic asset management policies were passed in December, 2017.³⁰ Of note, the Regulations require that principles to be followed by the municipality in its asset management planning must include the principles set out in section 3 of the IJPA.

This effectively mandates that municipalities consider community benefits in asset management planning. How then can such considerations be included?

There are several possibilities, depending on how AMP processes are structured at a municipality. Community benefits can be incorporated:

- by being identified first within business lines (i.e. construction, professional services, goods and services, etc.), prior to moving into the specific asset planning process;
- by application to categories of assets (e.g. applicable to new and/or existing assets, or to types of assets); and/or
- tied to lifecycle management and service levels requirements.

A range of strategic criteria can be used to determine when and how community benefits can be applied. Some may be identified at the strategic and/or procurement policy level, while others are asset management decisions (by category or by project).

A point system to track community benefits and incorporate them into the decision-making or prioritization process is one possible route. For example, the City of Greater Bendigo in Australia uses social, economic, and environmental factors to help set priorities in its Capital Works Evaluation Framework. Criteria evaluate the importance or benefit of the project to the community; this is factored against the cost and potential return on investment of the project,

leading to a score that favours projects with both high community benefits and lower net capital costs. Closer to home, Kitchener, Ontario is piloting a model to weigh and prioritize social, environmental, and community benefits through AMP as well. It is also considering how to embed community benefits into operations and a corporate asset management policy to guide these initiatives. (Graser and Leanage, 2016)

The table below identifies conceptually where criteria might lie, and the kinds of criteria that could be considered:

Table 1: Community Benefits Criteria in Asset Management Planning

Mechanism	Intent	Sample criteria
Corporate/ Strategic policy	Align community benefits with corporate municipal objectives to guide vertical and horizontal integration across and into departments; define community benefits and their evaluation plan	Relies on municipal objectives; could link to and influence e.g., poverty reduction, local economic growth, social inclusion, accessibility, environmental sustainability
Strategic Asset Management Policy	To guide if/when community benefits should be applied to infrastructure planning, rationale and further evaluation e.g., across all business lines or all asset types	A dollar value of forecasted annual costs (threshold amount); an asset class or category; % of annual infrastructure budget; potential for community benefits; combinations
Asset Management Planning process	Define and calculate value of community benefits; consider a range of community benefits; prioritize and/or evaluate asset planning; trigger community benefits procurement	Assess value of community benefits (e.g., weighting in infrastructure decisions or quantified social value for use in VFM and cost-benefit analyses like SROI); types of benefits or outcomes, timing, scale; possible tools include checklists, weighing/scoring for prioritization; qualitative descriptions; combinations

Source: Graser & Leanage, 2016

Summary: Purpose, Structure, High-level Opportunities and Challenges

In summary, there are many different approaches to using community benefits. However, the purpose in all of them is the same: to ensure that there are benefits for local communities beyond the “ordinary” benefits of infrastructure or procurement, usually in the form of workforce and small business or social enterprise opportunities, but often extending to other areas of local or municipal concern.

As discussed above, there are a variety of structures that have been used to achieve community benefits. Advantages and disadvantages of the major models are summarized in the table below.

Table 2: Summary of opportunities and challenges of various community benefits approaches

Structure	Opportunities	Challenges
Private CBA: community and developers as signatories, either with or without a municipal signatory	<ul style="list-style-type: none"> • Provides greatest opportunity for community empowerment and community capacity-building • Can drive the best results for communities as they are negotiating and monitoring directly to offset negative impacts of large developments • Usually includes a settlement or cooperation agreement, forestalling litigation • Clear and distinct roles for each party • Can be embedded into, or align with development agreement • Enforceable by either city or community and developer • Promotes accountability, transparency and community engagement 	<ul style="list-style-type: none"> • Can be difficult to sustain coalition over time • Lack of community resources to monitor and enforce agreement can be an issue; if city does not enforce, community may not have resources to do so • Can raise questions as to whether coalition is inclusive/ representative of the community, especially if groups are “chosen” by government or developer
Public CBA between government and developer	<ul style="list-style-type: none"> • Ensures additional benefits not normally included in development or s. 37 agreements, such as workforce development or economic growth • Clear and distinct roles for each party • Can be embedded into, or align with development agreement 	<ul style="list-style-type: none"> • In Ontario, developers may feel they are already sufficiently contributing through section 37 of the Planning Act • Adding community benefits may deter investment altogether • Can take place with little or no community consultation, leading to mistrust or lack of community buy-in
Community benefits clauses in public procurement	<ul style="list-style-type: none"> • Creates a consistent approach that leverages dollars already being spent. • Integrates requirements into existing processes via new agreements • Relatively low resources required once process changes put in place to administer • Creates ongoing systemic change • Engaging communities on an ongoing basis builds social 	<ul style="list-style-type: none"> • Without real community engagement, risk “cookie cutter” approach that only achieves part of what is possible. • Requires investment of time up front to change processes, educate stakeholders • Requires genuine staff commitment to implement, including ongoing system for performance monitoring and

	inclusion, community capacity, and ensures the unique needs of each neighbourhood are considered.	compliance to ensure results
Community benefits in municipal asset management	<ul style="list-style-type: none"> • Prioritizes projects that bring the most benefit to local communities from the beginning, helping ensure benefits are embedded in to operations and procurement as necessary. 	<ul style="list-style-type: none"> • Requires other policies and/or requirements to ensure benefits are delivered via, e.g. planning or procurement processes.

II. Case studies

Snapshots from other jurisdictions have been included in Section I, and Appendix A provides further information on UK models. In this section, we investigate three different case studies: Toronto (municipal policy/procurement), PARQ (CBA with a private developer) and Portland (CBA for public infrastructure)

Municipal Policy: Toronto

In 2012, Toronto City Council instructed its staff to “explore ways to use the collective buying power of the City’s 44 divisions to maximize the City’s economic, workforce and social development goals when determining best value for public funds.”³¹ Led by the Social Development, Finance and Administration Division (SDFA), an interdepartmental working group³² was convened to examine best practices for social procurement from other jurisdictions and create an approach aligned with the City’s existing policies and practices, most notably its Poverty Reduction Strategy.

An initial 2013 Social Procurement Framework, which tested different approaches and thresholds through pilot projects, was followed by a Social Procurement Program and Policy, approved by Council in the spring of 2016. The program applies to goods, services and capital projects. It focuses on driving inclusive economic growth through diversifying its supplier base, and leveraging employment and training opportunities for disadvantaged and equity-seeking groups in construction projects over \$5M.³³

Since then, detailed procurement guidelines have been crafted; a new position was created in the procurement division; and time is being spent educating both internal divisions at the city and outside stakeholders (e.g. diverse suppliers, private sector vendors and procurers).

To implement the supplier diversity goals, all departments that are making purchases between \$3000 - \$50,000 must seek a quote from at least one diverse supplier. For competitive procurements over \$50,000 in value, City suppliers will be encouraged to develop their own supplier diversity programs. Non-profit supplier certification organizations are certifying diverse suppliers in order to build a list of suppliers as a resource to departments at the City.

With respect to workforce initiatives, departments will need to provide procurement plans for capital projects on a quarterly basis. These plans will be reviewed against key criteria to determine which projects should be subject to the policy. Then, procurement will handle internal

and external negotiations to determine the benefits and incorporate appropriate language in the tenders. Efforts are being made to ensure that these requirements do not slow down the pace of procurement.

City staff are still working on a system to monitor compliance and evaluate the impacts of these projects, focusing not just on the jobs and economic development results from the procurements, but also in their success in creating a consistent approach that changes the culture within city hall overall.

Key learnings:

- Political and executive level leadership drives change
- Policies should align with other strategies within a municipality to achieve the desired objectives
- The importance of internal processes and support is key, particularly in the early days of a policy, in order to change the culture and practice of procurement
- Outreach and education to contractors, suppliers and key stakeholders is required.

Public CBA, Private Development: The PARQ Resort and Casino

Currently, there is a public CBA in progress in Vancouver for the PARQ Resort, a \$330M project that involved the expansion of a casino, 2 hotels and 8 restaurants. It was signed in 2015 between PARQ and the City, as a condition attached to a development agreement respecting the rezoning of the original Edgewater Casino in Vancouver.³⁴

The agreement followed considerable consultation with local community groups, but did not include the community as a signatory. Called the “Inner-City Local Employment and Procurement Agreement,” the CBA included a 10% local employment component, targeted to inner-city residents and a 10% local procurement target of \$33 million. At completion, targets had been met: employment for the casino operations was more than double the original target (21%), and both construction and local procurement targets had been met (at 15% / \$62.7M) albeit only after expanding the original geographic area to allow the developers to use key suppliers who were located beyond the catchment area.³⁵

For PARQ, the CBA was one of 90 covenants that they were required to fulfill. But because there was considerable community opposition to the casino project, PARQ saw this as a way to build trust, and they felt it was important to provide benefits to the city.³⁶

PARQ’s general contractor for construction, EllisDon, entered into a variety of partnerships with employment agencies and with health agencies to fulfill the conditions of the agreement. It was able to play a connecting role between its subcontractors and community partners to fulfill labour needs. By timing the work carefully, they were also able to take advantage of graduating trainees and apprentices by matching them with appropriate upcoming work.³⁷ EllisDon hired dedicated staff and, as required in the CBA, a neutral third party who helped connect them to community resources and audited progress.

In a 2016 report, PARQ expressed pride in its results, but noted a number of challenges, including a lack of consistency between the CBA policy and the City’s own purchasing standards; initial reluctance or inertia of the trades to participate; and challenges meeting the local procurement requirements because of a lack of appropriate suppliers within the original

designated catchment areas (later enlarged). However, by the end of 2017, PARQ had superseded its requirements and the project was considered a significant success.

Key learnings:

- Investigate the availability and capacity of local suppliers before setting procurement targets
- Broad partnerships between contractors, workforce agencies and suppliers can continue onto other projects, helping build a sustainable basis for future CBAs
- Developers will deliver if they have to!

Public CBA, Public Infrastructure: Portland, Oregon

In 2012, the City of Portland approved a draft Model CBA for use on large construction projects, developed in partnership with a coalition of labour, community, employer and training organizations. It focused on workforce and contractor diversity, which aligned with existing city policies for targeted hiring and improving opportunities for certified minority, women and small business enterprises.

The City subsequently undertook two pilot projects for city water infrastructure construction projects: the Kelly Butte Reservoir and the Interstate Maintenance Facility renovation.³⁸ It set up a multi-stakeholder oversight committee to develop project-specific agreements, oversee their implementation, and monitor compliance. It also required a post-project evaluation.³⁹ The CBAs required the City to deposit 1% of the contractors' total construction services contract costs into three program funds to be managed by the oversight committee for training, outreach and technical assistance.⁴⁰

The CBA created clearly defined goals, funding, contractor requirements and requirements for program participants. Measurable objectives or outcomes were identified for some, though not all programs. Ongoing compliance monitoring was required, and there were provisions for accountability and enforcement, including financial penalties.

Overall, the projects successfully met all of the goals respecting workforce and contracting save for the percentage of journey-level hours directed to women. The evaluation report noted that the benefits of training may not be observed in the project at hand but on future projects and over time; as such, it recommended these efforts be best understood as part of an overarching city strategy.⁴¹

Key learnings:

- Clear and measurable goals allowed progress to be tracked and fostered accountability
- Participation of key stakeholders in program design and workforce support was central.
- The contractor's commitment, capabilities and willing participation were key to the process.
- Union engagement in the recruitment, training and placement of workers was required.
- There was some duplication of effort with respect to monitoring compliance between the oversight committee and the procurement department, and overlap in some of the training offered to new employees which was already provided by the contractor.

III. Which approach is most effective?

Ultimately, how community benefits are implemented is less important than ensuring certain key factors are present. Whether private or public, through procurement or CBAs, the research and case studies show that the following requirements are necessary to ensure the successful implementation of community benefits:

1. Clear and measurable targets, definitions, roles and responsibilities.

The language of a CBA or community benefits clause needs to be clear and specific about precisely what deliverables are required, and delineate the roles and responsibilities of the parties in delivering them. For workforce-related opportunities, the number or percentage of hours should be specified for targeted groups, for example, and the targets themselves clearly defined (e.g. what constitutes a “disadvantaged group”?) Procurement targets could be specified for different kinds or sizes of businesses (social, small and medium sized, e.g.). “Aspirational” targets have been shown to be far less effective than mandatory ones. However, it is important to set targets that are reasonable, measurable, and can be delivered without risking quality, unduly increasing costs or lengthening the project timetable, as the contractor’s commitment and compliance are key to achieving outcomes.

2. Monitoring and enforcement

No matter how strong the requirements are and regardless of the model used, success will reside in how they are monitored and enforced. Accountability measures, monitoring and compliance must be managed by a body with the capacity and the commitment to enforce the requirements. Contractors must be required to provide data on a regular basis in order to allow continuous evaluation. There should be a process for addressing non-compliance and damages⁴² when requirements are not fulfilled, just as there would be for any other breach of contract. Failure to collect the required data – on the contractor’s part or the owner’s part – has been the Achilles’ heel of community benefits approaches in many areas.

3. Senior-level leadership/political will and an internal champion

Driving change requires senior-level leadership, political will (in the case of governments) and an internal champion with sufficient clout to ensure community benefits are made a priority. In particular, when systems change is required, the champion should be at a level to bring appropriate people together from across the organization, provide corporate support and resources, and move items through the bureaucracy into implementation.

4. Alignment with other policy goals and strategies

Any community benefits policy should be aligned with other policy goals and be explicit in its scope. This will have a number of advantages: it provides a coherent policy and legal basis for the inclusion of community benefits requirements; it will develop the commitment and understanding of the staff who must deliver them; and it gives notice to prospective bidders in the marketplace that the procuring organization is looking for additional value.

5. Implementation strategies and guidelines

An internal implementation strategy should include staff training and communications as well as development of detailed policy guidelines and processes to guide tendering and procurement, implementation, monitoring, and evaluation efforts. Guidelines will also be required for the

contracting community so they will understand how to respond to new criteria and expectations for implementation, monitoring and tracking performance.

6. Robust community engagement

When using community benefits in public infrastructure and development projects, significant community engagement should take place before, during and after a project. Prior to ever issuing an RFQ or RFP, communities should be engaged in determining what benefits make sense for a particular project in a specific area. Since infrastructure and development is necessarily place-based, broad and inclusive consultation with the local community is important to consider from the outset, including culturally-appropriate and specialized outreach for non-English speaking groups, if need be.

In the case of planning processes which already have statutory requirements for community consultation, consideration of community benefits may be “built in” to that process. With respect to supply chain initiatives, consultation with communities of interest (e.g. chambers of commerce, business improvement associations, social enterprise intermediaries) will serve to both inform prospective suppliers and strengthen the effectiveness of the program. Keeping communities informed and engaged throughout the process, and working with them to evaluate the project after the fact, has been identified as good practice.

7. Strategic partnerships

The successful implementation of community benefits requires that key stakeholders come together in a collaborative fashion to drive results. Whether through projects or policies, good working relationships between community groups, developers, suppliers, contractors, workforce agencies, labour unions and governments ensure that all players are able to deliver on their part of the effort. Regular meetings with the right parties at the table can help resolve issues or conflicts in a timely fashion during implementation.

8. Transparency and reporting

The regular publication of progress reports is particularly important for governments who need to demonstrate accountability for taxpayers’ dollars. A monitoring process that ensures the verification of data supplied on a regular basis by the contractor will facilitate regular public reporting.

IV. Workforce development outcomes

It is very common for community benefits to include workforce development outcomes including jobs, training opportunities and apprenticeships for target groups. Jurisdictions have adopted workforce development requirements in community benefits to ensure that public investment results in increased economic opportunities for community residents, including historically disadvantaged and equity-seeking groups.

Trends in workforce outcomes targeted through community benefits

Workforce requirements are defined in different ways across jurisdictions. The most common approach is to require contractors to allocate a specific proportion of jobs or work hours to target groups. Target groups are often defined by residence in the local community and/or by

characteristics indicating membership in a historically disadvantaged or equity-seeking group, including low-income, racialized, newcomers, and at-risk youth.

Using hours worked, instead of number of hires, is the preferred approach to tracking outcomes related to construction trades jobs, since apprentices and journeypersons sometimes spend a limited amount of time on a particular job site. Including requirements for hours worked ensures that contractors do not hire workers from target groups for only a short time in order to meet targets. It is important to note, however, that tracking the hours worked by apprentices or journeypersons from target groups on a specific project might not always be indicative of the longer-term economic impact, since an apprenticeship or job on a construction site can lead to a longer-term career in construction for those from target groups.

Some jurisdictions also include specific targets and outcomes related to apprenticeship. Given that the construction of large infrastructure projects offers many opportunities for employing and training apprentices, contractors are sometimes required to employ a specific proportion of apprentices⁴³ or to provide a specified number of opportunities to new apprentices. So for example the approach used by Transport for London in the UK (a public body responsible to the Greater London Authority) has been focused on developing the availability of skills in the labour market rather than social inclusion, but with 'community benefits' like more opportunities for women and ethnic minorities through recruitment and training and supply-chain opportunities as important 'contract conditions'.

In addition to construction trades jobs, some projects include hiring and job targets for professional, administrative and technical (PAT) jobs on major construction projects, as well as jobs related to the ongoing operation of new developments. In a few cases provisions related to job quality are also included (for example, requiring contractors to pay a living wage for operations jobs).

In some cases, contractors are required to directly invest a specific amount of resources for workforce development and training programs. One recent study has found that funding provided by developers for workforce development ranged from .003% - 1% of the total project costs (Nugent, 2015).

Table 3 provides examples of workforce outcomes targeted through community benefits that highlight these trends, including examples from both private CBAs and public community benefits approaches.

Table 3 Workforce outcomes in community benefits

Project/ policy	Workforce outcome metric	Target	Outcome achieved	Additional workforce provisions and activities
Private CBAs				
Washington D.C., Nationals Stadium Project Labour Agreement Year: 2005 /	Share of total apprentice hours on project worked by local residents	50%	70%	Agreement also included a provision to support Helmets-to-Hardhats to facilitate entry of veterans into construction industry
	Share of total journeyperson hours on project worked by local residents	50%	26%	
	Share of all new jobs worked by local residents	51%	51%	

Project/ policy	Workforce outcome metric	Target	Outcome achieved	Additional workforce provisions and activities
Value: \$611M ⁴⁴	Share of new apprenticeships worked by local residents	100%	85%	
	Share of total craft hours worked by apprentices	Up to 25% (max ratio)	19%	
Oakland Army Base Year: 2012 Value: \$1.2B ⁴⁵	Share of total project hours worked by apprentices	20%	23%	Agreement also included: a) development of a City-run jobs resource center to support local hiring b) limits on use of temp workers c) rule that contractors could not pre-screen job applicants for criminal records d) requirement to pay living wage
	Share of total project hours worked by local residents	50%	50%	
	Share of apprentice hours worked by disadvantaged workers	25%	50%	
	Share of non-trades (warehouse and operations) jobs worked by local residents	50%	N/A (not yet in ops phase)	
Vancouver Olympic Village Year: 2007 Value: \$1B	Number of entry-level construction jobs for inner city residents	100 jobs	120 jobs; 91 worked >12 weeks ⁴⁶	Agreement included a commitment of \$750,000 from developer to support training and employment
Public approaches				
Glasgow Housing Association Procurement ⁴⁷	Share of person-weeks on project completed by new trainees	10%	11%	Policy includes requirement for job vacancies to be notified to a local recruitment agency
Scotland community benefits clauses in procurement (aggregated across 24 contracts) ⁴⁸	Number of individuals from priority groups recruited	675	1,012	
	Number of individuals from priority groups recruited as apprentices	130	208	
	Individuals from priority groups accessing work placements	328	663	
	Individuals from priority groups receiving training	1,014	6,726	
Metro (Los Angeles Transit Agency): Project Labour Agreement and Construction	Share of project work hours performed by local economically disadvantaged workers	40%	60%	Policy includes requirement for job vacancies to be notified to a local recruitment agency
	Share of project work hours performed by economically disadvantaged workers facing other forms of disadvantage ⁵⁰	10%	12%	

Project/ policy	Workforce outcome metric	Target	Outcome achieved	Additional workforce provisions and activities
Careers Policy ⁴⁹ (30 contracts)	Share of total work hours on project performed by apprentices	20%	20%	
Vancouver PARQ Casino Expansion ⁵¹	Share of jobs for local residents, recruited through local social development agencies	10%	21%	Target includes intent to promote employment of people experiencing barriers by working with social development agencies
Regent Park Redevelopment	Share of new jobs for local residents	10%	Target exceeded ⁵² (exact number N/A)	See Appendix D for detailed breakdown of workforce development and hiring activities for Regent Park redevelopment
Metrolinx Eglinton Crosstown LRT Project	Share of trade and craft hours worked by apprentices and journeypersons from historically disadvantaged or equity-seeking groups	10%	Not yet available	Contractor has also agreed to support local workforce development and training activities, including a focused effort to recruit trained newcomers to fill PAT jobs

What works for achieving workforce outcomes?

Experiences from other jurisdictions have highlighted some important factors for ensuring the effectiveness of community benefits requirements related to workforce outcomes.

Establish clear targets

Experience from other jurisdictions have shown that targets, regardless of how they are defined, are critical for focusing efforts and holding contractors accountable for achieving workforce outcomes. Table 3 demonstrates that while there is a vast range in the workforce targets set across different jurisdictions, the majority have met or exceeded those targets.

Setting the “right” targets for workforce outcomes requires negotiation and careful consideration of the capacity of partners to meet those targets. For example, representatives who were involved in the process of establishing workforce targets for Metrolinx’s Eglinton Crosstown LRT project incorporated several considerations when negotiating targets including expert advice from other jurisdictions, labour market context, and the capacity of the workforce development system to support target achievement. Emphasis was also placed on ensuring that the target was achievable, ensuring that partners could achieve an early “win” in community benefits that would build positive momentum.

Effective process for monitoring, tracking and compliance

Once targets are set, it is critical to include clear roles and processes for monitoring compliance with these targets, as well as consequences for non-compliance.

Monitoring workforce outcomes generally requires a combination of efforts from employers, unions, or workforce development agencies to collect information on hires and hours worked. In some cases, project agreements require employers to share detailed information on employee characteristics as well as payroll information to verify the achievement of workforce outcomes.

Examples of consequences for non-compliance with workforce requirements include requirements to submit a plan to achieve compliance, restrictions from bidding on future projects, and financial penalties. For example, Metro Los Angeles Construction Careers’ policy states that for every hour a contractor falls short of its hiring targets, it has to pay the greater of \$500/day or the average journeyperson project wage.

An effective workforce pathway

For targeted hiring provisions to be successful, there must be a process to recruit, train, place and support disadvantaged workers. Recognizing this, many jurisdictions have developed workforce development pathways to provide a pipeline of qualified/suitable workers to contractors with community benefits requirements.

CONSTRUCTION CONNECTIONS: AN INNOVATIVE WORKFORCE DEVELOPMENT PATHWAY

In 2016, Metrolinx, Crosslinx Transit Solutions (the contractor for the Eglinton Crosstown LRT), and government and community partners signed the Ontario Community Benefits Declaration. The Declaration commits partners to achieving a goal of having apprentices or journeypersons from historically disadvantaged and equity seeking groups perform 10% of all trade and craft working hours required for the construction of the Eglinton Crosstown LRT project.

To support the implementation of the Declaration, Toronto Employment & Social Services and the Ontario Ministry of Advanced Education & Skills Development partnered to implement *Construction Connections*, a workforce pathway to connect historically disadvantaged jobseekers to construction jobs related to public infrastructure investments. While initially designed to support Metrolinx's community benefits projects, in future, the pathway seeks to act as a broader hub to support targeted hiring for a broad range of publicly funded construction projects, including construction projects under the City's Social Procurement Program.

The pathway conducts outreach to targeted groups through partnerships with other workforce development agencies and community groups. Once jobseekers are connected to the pathway, they can receive a range of sector-focused services and supports including essential skills upgrading, mental health supports, connections to pre-apprenticeship training programs, and job matching and placement. They also receive ongoing follow-up and job retention supports.

Contractors, unions, community partners, and government all generally have an important role to play in developing effective workforce development pathways to support community benefits hiring. In some cases, partners have invested in developing a new central entity that can act as an intermediary and coordinate the recruitment, training, and placement of jobseekers. In other cases, jurisdictions have leveraged existing employment agencies and pathways to support community benefits hiring.

The box above provides a description of a construction sector workforce development pathway currently being implemented in Toronto. The pathway was developed to support the implementation of the Metrolinx community benefits program for the Eglinton Crosstown LRT.

While community benefits has proven to be an effective tool to increase employment and training opportunities for historically disadvantaged and equity-seeking groups, we have found no publically available studies that evaluate either the effectiveness or the costs of this tool against more standardized practices. There are a few studies that evaluate Social Return on Investment (SROI) of hiring those facing barriers to employment, but no comparative evaluations.⁵³ Such research would be a valuable addition to the field.

V. Benefits to local businesses

Many community benefits approaches include provisions designed to support local economic development, in particular for small businesses and social enterprises. In the U.S., CBAs with such provisions are supported by a regulatory regime that already exists to support minority, women-owned, and disadvantaged business enterprises (M/W/DBE).

Techniques often include unbundling construction contracts (breaking the opportunities down into smaller lots), low-interest or interest-free loans to targeted or local businesses, and sometimes training and mentorship programs to increase the capacity of small businesses.⁵⁴ A very robust program, for example, has taken place in West Harlem as part of a 2009 CBA by Columbia University, which created a Construction Trade Certificate/Mentorship Program. Between 2008 and 2014, 86 small and mid-sized firms took part in program; 78 firms graduated and the University spent \$33M on construction and maintenance through those firms.

UNIVERSITY HOSPITALS, CLEVELAND

For a \$1.2B expansion project, University Hospitals worked with the mayor's office and the building trades to direct workforce and business opportunities to women and minorities, creating targets of 15 per cent of contracts for minority businesses, and setting a target to purchase 80 per cent of goods and services from regional firms. Through a PLA, it not only required 20% of contracted labour to be Cleveland-based, but recognized the creation of joint ventures between unionized and non-union contractors to promote the participation of smaller local businesses. It also broke its contracts into smaller lots and created procurement rules that required all procurements over \$20,000 to include at least one bid from a local, minority-owned firm. UH has met or exceeded its targets.

In addition, UH has continued to use its spending power to drive more economic development in Cleveland. For example, in 2013, UH tendered a medical supplies contract: by extending the timeframe and size for the contract (to 10 years and \$75M USD), it was able to require that part of the winning bidder's operations must be in Cleveland. This strategy succeeded, drawing a Fortune 500 medical supply company which brought a distribution centre to the area, anticipated to generate upwards of 60 jobs. (Dragicevic, 2015)

As noted earlier, the Vancouver Olympic Village CBA committed to \$15M in inner-city procurement. A construction directory of over 200 inner-city businesses was produced, and at the end of the project, \$42M in goods, services and equipment was procured. (Peachey, 2009)

Targeted procurement has also been used by a number of anchor institutions in the United States. The best-known example is University Hospitals ("UH") in Cleveland (see box above). Another example is the San Francisco Public Utilities Commission which, together with the City of San Francisco, has co-founded a contractor assistance centre to grow the skills of small local contractors, eradicate the barriers they face and help move them up to the prime contractor level. (Graser D. , Community Benefits in Practice and in Policy: Lessons from the United States and the United Kingdom, 2016)

More consistent results have been achieved with social procurement policies and community benefits clauses through governments. In the United Kingdom, clauses requiring contractors to provide plans for how they will procure from local businesses and social enterprises are common. Community Enterprise in Scotland (“CEIS”) works with governments and social enterprises to further community benefits and build the capacity of the social enterprise sector, which is considerably more developed than it is in Canada.⁵⁵ CEIS is also promoting using community benefits clauses in service contracts as well as in construction, which offer longer-term workforce and business opportunities.

In Wales, following a series of pilot projects, a “community benefits measurement tool” (“CBMT”) was developed in 2011 to capture outcomes of community benefits and calculate a local economic multiplier based on those outcomes. Data gathered through use of the CBMT has illustrated that around £1.80 worth of benefit for each £1 spent has been secured on average from those projects that have been measured.⁵⁶ As of 2015, more than £1 billion worth of Welsh contracts had applied community benefits and measured outcomes using the CBMT. More than 83 per cent of the contract value stays in Wales as a combination of revenue to businesses and salaries to residents. Some 1,439 job opportunities and more than 33,000 weeks of training were delivered, much of which have targeted disadvantaged groups such as the long-term unemployed. The Welsh government is also encouraging the inclusion of community benefits in service and supply contracts, not just in construction and infrastructure projects.⁵⁷

However, it is noteworthy that between 2012-2017, only a portion of the total procurements (estimated at over \$25B) submitted information to the monitoring system, so the actual impact may be much higher. This may be due to the lack of implementation support, demonstrating the need for governments to commit resources, especially in the early stages, to assisting clients with the implementation of a new system.

As noted above, the City of Toronto has recently enacted a social procurement policy, focusing on supplier diversity as well as workforce opportunities in infrastructure over \$5M. With a \$1.8B annual procurement spend, the City calculates that leveraging just 5% would equate to the City’s annual spending on community grants – and could be a significant “pathway to prosperity” for these businesses.⁵⁸

How can local businesses benefit?

Many of the same elements as are required to make CBAs and workforce pathways effective are also required to make economic development directed at SMEs and SEs successful:

The need for clear definitions and attainable targets

As with setting targets for workforce outcomes, setting clear definitions and targets for procurement is important. The procurer must define the kinds of businesses being targeted, whether that be by the size of business (e.g. small businesses under a certain annual revenue or with up to a certain number of employees), the kinds of business (e.g. social enterprises, SMEs, certain categories of suppliers), or other criteria (e.g. minority-owned or led, or those based in neighbourhoods categorized as disadvantaged). Definitions and targets should, where possible, reflect those in existing policies to ensure alignment with other efforts that the organization may be undertaking in these areas.

To ensure targets are attainable requires both an understanding of what suppliers are available and consideration of the capacity of partners to meet those targets. In Vancouver, for example, PARQ had difficulty meeting the local procurement requirements because of a lack of appropriate suppliers within the original designated catchment areas. And on the Vancouver Olympic Village project, while the developer was successful in meeting the overall target, \$39M of the total \$42M spent on goods, services and equipment went to just 8 companies. The post-project evaluation report thus identified the need to specify procurement targets to different kinds of businesses (social, micro, small and medium sized enterprises).

The targeting of “local” suppliers can, over certain thresholds, run counter to trade agreements and thus a measure of care must be used when designing provisions or programs (see discussion of trade agreements, below). Similarly, provisions must be structured so as to avoid “bid splitting”, i.e. breaking down contracts for the purposes of avoiding requirements prescribed in public procurements. Depending on the institution, these procurement requirements could be set by bylaw or established by legislation and related regulations.

Capacity building for small suppliers and social enterprises

Community benefits and social procurement efforts usually target small and medium-sized businesses in a particular area. This often includes social enterprises because such enterprises often hire people facing barriers to employment, thus supporting workforce goals as well.

However, such businesses often lack the capacity to bid on or service larger government contracts. A variety of capacity-building activities can be used, ranging from workshops to teach small suppliers how to bid, to providing financial or expert resources, to mentorship programs and technical assistance programs. Because social enterprises in particular generally lack the scale to take on large contracts, a more recent trend is partnerships between larger businesses and social enterprises: the larger business does the bidding but employs or partners with the social enterprise to provide the goods or services. This can also be helpful where small businesses are not able, on their own, to meet requirements for insurance or bonding.

Willing and committed partners

Both internal and external partners are required. Within governments, a champion for targeted procurement and skilled staff have been identified as critical to the success of a targeted procurement program. External partners who can support the vision and implementation will also help ensure sustainable results over time.⁵⁹ For example, the City of Toronto has partnered with certification organizations, such as the Canadian Aboriginal and Minority Supplier Council, who certify diverse suppliers, providing the City with a level of quality assurance when it seeks goods or services from them. The role of the contractor on infrastructure projects is also critical to ensuring that commitments are fulfilled.

Effective process for monitoring, tracking and evaluation

Monitoring targeted procurement should be done by the procuring organization – whether that is a municipality, institution or contractor – and should track, by targeted category and by supplier, dollars spent and time period over which those dollars are spent. This information should be readily available from purchase orders or invoices.

VI. What does it cost?

There is little data available on the costs of community benefits to governments. In most cases, governments are already involved in employment, training, and small business support Programs so while further resources may be needed in these areas, it is very dependent on how existing structures might need to be adapted or grown to create backbone support.

The role of key partners and other governments is also material. York Region may choose to be pro-active in funding or co-funding initiatives with the province, other municipalities or external partners to support workforce and/or economic development, or in supporting communities to participate in the definition of desired benefits.

Costs are relevant to consider in three areas:

- a) Costs to governments or institutions (i.e. procurers) that wish to implement community benefits;
- b) Costs for ancillary supports, such as a coordinated workforce pathway; and
- c) Costs that contractors will need to incur in order to fulfill these requirements.

a) Costs to procurers

There will be resources required for internal education, internal and external communications, engagement and outreach, and the creation of materials, in particular at the beginning of the program. Some of these items may be able to be incorporated into existing budgets.

Where additional staff is required, this will add to the bottom line. At the City of Toronto, for example, a fulltime procurement coordinator was added as well as a half-time managerial position in social policy to support the social procurement program. At the Government of Northern Ireland, a specialized team of six people works closely with procurement and internal clients to help create clauses for insertion in infrastructure and construction contracts – clauses which have now become standardized. However, in other municipalities, existing procurement staff have been trained to address such initiatives.

The resources required for monitoring and tracking compliance should not be underestimated: this is a challenging area and will take time and process change both for contractors and for procurers.

Finally, in order to fully participate, community groups may need resources to participate as well; this may be offered through existing programs or new ones.

Costs for procuring organizations in York region should therefore include consideration of:

- Staff time
- Training
- The creation of internal and external guidance and toolkits
- Stakeholder outreach and community engagement
- Internal and external communications and education
- Tracking and monitoring
- Enforcement

b) Costs of backbone supports

Even where organizations exist that can provide support for a workforce pathway and capacity-building efforts for small businesses, it will take time and effort to create a coordinated approach. Bringing together the right agencies who can recruit, train, support and place targeted workers, especially those from disadvantaged groups, requires significant coordination, potentially requiring two fulltime positions. Similarly, coordinating intermediaries who can help bring together information about capacity-building programs, and provide that information to small businesses, entrepreneurs, procurers and contractors will entail significant work.

These coordinating functions may be taken on by existing intermediary organizations, but they may require further funding to do so.

c) Costs to contractors

To a certain extent, the costs of compliance with community benefits provisions should be considered simply as a cost of doing business, much like any other technical specification in a tender. However, where there are prescriptive requirements that need to be passed through to subcontractors and tracked, this will take time and require process change, which may lead to perceived risk and higher cost.

In cases where there is backbone support such as a workforce pathway, for example, the costs of taking on an apprentice from a disadvantaged community as opposed to any other, should be nil. However, much depends on what is being required of the contractor. In any case where there are commitments that require implementation, tracking and monitoring, at the very least there will be additional staff time required to fulfill those functions.

In the case of CBAs, developers can help fund training or capacity-building initiatives. As noted above, one study found that funding provided by developers for workforce development initiatives in American CBAs ranged from .003% - 1% of the total project costs (Nugent, 2015). In these cases, the developers were often funding the creation of a “first source” (targeted or local) hiring system and training. But in Ontario, where there are robust employment service providers and training programs, this should not be necessary.

There are other ways for developers to contribute. For example, during the redevelopment of Regent Park, the developer provided ESL classes for workers who did not speak English as a first language. While the classes were voluntary, those who chose to take part were paid their regular hourly wage if they chose to participate. (No estimate of the cost of providing this service is available, however).

In the UK where community benefits are quite widely included in public procurement there has not been a clear methodology for how bidders should price for the delivery of these requirements. Tender price schedules have not included a line for this and therefore there is no body of information on any additional costs. Some practitioners assume that in a competitive context contractors will not add to their bid by including a price for the community benefits. However, it is equally plausible that bidders are including a cost within the management or overhead costs, but this is not separately identified.

Where community benefits are being procured by a public body, thought needs to be given to how any additional costs to contractors are to be reflected in the tender/contract sums. Where

costs are to be included in the contract, these should be 'net costs' (after deducting grants or other resources obtained) and should be subject to competitive pressures.

VII. Legal framework

Community benefits in Ontario takes place within an existing legal and regulatory framework, both provincial and municipal. Some of the key pieces of legislation and policy which need to be considered are highlighted below, with a fuller overview provided in Appendix C.

Although there is not yet federal legislation, a Private Members' Bill in the House of Commons has reached concurrence at committee following the second reading. Bill C-344, An Act to amend the Department of Public Works and Government Services Act (community benefit), provides the Minister with the authority to require an assessment of the benefits that a community derives from a federal construction, maintenance or repair project.

In addition, the backgrounder to a March 2018 Canada-Ontario infrastructure funding announcement noted that, in addition to applying a climate lens to certain projects, "partners will also report on how larger projects are creating job opportunities for a broader array of Canadians in the construction industry and related sectors through a new Community Employment Benefits framework."⁶⁰

Provincial Legislation and Policy

A variety of provincial acts and policies bear on the provision of community benefits, including the Planning Act, the Municipal Act, the Accessibility for Ontarians with Disabilities Act ("AODA"), and the BPS Public Service Directive.

The most directly relevant however are the Infrastructure for Jobs and Prosperity Act, 2015 ("IJPA"), and the Long-Term Infrastructure Plan ("LTIP") which was released at the end of November 2017.

The IJPA

The IJPA's purpose is to encourage evidence-based, strategic and long-term infrastructure planning that supports, among other things, job creation, training opportunities and economic growth.⁶¹ Section 3 provides the principles of the IJPA and specifically requires consideration of community benefits, stating:

Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (including for apprentices, within the meaning of section 9), improvement of public space within the community, and any specific benefits identified by the community.⁶²

The LTIP

The LTIP is a strategic plan for Ontario infrastructure planning and investment and is a key step in meeting the requirements of the IJPA. It commits to develop a policy framework for community benefits, focusing on workforce development opportunities for traditionally disadvantaged communities, underrepresented workers and local residents; social procurement

initiatives for the purchase of goods and services from local or social enterprises; and supplementary benefit initiatives, which are other benefits requested by a local community in a neighbourhood affected by an infrastructure project.

The LTIP sets out a process which will include community benefits pilot projects to test different approaches, the development of a community benefits framework in partnership with stakeholders and partners, and application of the framework to all major public infrastructure projects by 2020.⁶³

Section 37 of the Planning Act

The notion of “community benefits” is often confused with density bonusing and more specifically, in Ontario, with section 37 of the Planning Act, which allows municipalities to, through a bylaw, negotiate contributions for a range of local benefits with developers who wish to build a site that is taller or denser than allowed under applicable zoning.

Most s. 37 guidelines require that contributions made by developers are in the form of capital assets, such as parks and public art, in or near the neighbourhood where the development is being built. However, the language of s. 37 does not limit contributions to capital: it allows for the provision of “services or matters” as well. A municipality could choose to amend its s. 37 guidelines to allow for the provision of noncapital benefits, as well as to require more significant consultation with affected communities, should it wish to use s. 37 to provide for supplementary community benefits of the sort that are discussed in this study.⁶⁴

Broader Public Service Procurement Directive (BPS)

The BPS Procurement Directive does not apply to municipalities, but it does apply to publically funded organizations such as hospitals, school boards, and colleges and universities. Its purpose is to ensure that procurement processes for goods, services, and construction are fair, transparent and competitive.

While a preliminary review of the Directive does not reveal anything that would come into conflict with a community benefits policy, the complexity of the rules and procedures act as an effective deterrent to accessibility by SMEs or social enterprises which may otherwise wish to bid on institutional work. Efforts are underway by departments of the Ontario government to bring more innovation to the procurement process, and to build the capacity of social enterprises to compete for government contracts.

Municipal Policies

York Region 2015-2019 Strategic Plan and Human Services Planning Board of York Region Action Plan 2016-2018

York Region’s Official Plan and Vision 2051 set out broad principles and a vision for the future of the region. The 2015-2019 Strategic Plan provides a roadmap to York Region’s priorities in the immediate future, building on the long range strategies and goals found in these documents.

Several of the Region’s priority areas can be served by integrating community benefits approaches, in particular, strengthening the region’s economy and supporting community health and well-being. Under strengthening the economy, one of the key action items identified is to “enhance workforce development strategies assisting underemployed and unemployed residents”, in order to support the objective of supporting the development and retention of the region-wide workforce.

In the second category of supporting community health and wellbeing, York Region has identified the need to increase and sustain rental housing, and advance plans to promote diversity and inclusivity. These are goals that can be included, if desired, into a community benefits framework.

The Human Services Planning Board of York Region (Board) has set out a 2016-2018 Action Plan, “Making Ends Meet in York Region”, that squarely addresses these needs, including a commitment to a range of activities to further progressive employment opportunities and incent rental housing. “Making Ends Meet” also provides definitions, desired results and indicators which are all helpful in shaping an approach to community benefits, monitoring and evaluation.

Trade Agreements

The Canadian Free Trade Agreement, the Canada-European Trade Agreement, and the Ontario-Quebec Trade and Cooperation Agreement all bind municipalities. They prohibit the giving of local preference, which seemingly makes it difficult to target local businesses through community benefits provisions.

There are three potential ways to avoid this issue. First, giving preference to local vendors for contracts under certain thresholds is permissible, as detailed in Appendix C. Second, the trade agreements contain certain exceptions for areas like poverty reduction and aboriginal people, which could be utilized. And third, careful drafting of procurement requirements can avoid the word “local” in favour of other criteria that could theoretically be met by a SME/SE in any province (or in the case of CETA, a European country) but which, from a practical standpoint, would be most easily met by a local business.⁶⁵

In addition, where a municipality enters into a development agreement or CBA with a private developer and imposes community benefits conditions on that developer, the developer may not be subject to the agreements.

VIII. Opportunities and challenges in York Region

There are many areas of strength in York region, and a number of different opportunities for using community benefits in a way that will further the goals not only of progressive employment but other areas of economic and social development.

As the Board has identified in its “Making Ends Meet” report, York region is diverse, healthy and growing. A recent United Way report, the Opportunity Equation, noted that middle-income neighbourhoods have declined across the GTA, but that York region has been the exception; middle- income and high-income households have largely plateaued since 2000.⁶⁶

Those interviewed noted that York region has a tradition of getting “ahead of the curve” on issues, often trying to address them at an earlier stage than in other areas of the GTA. They felt that, at both the regional and local level, governments are forward-thinking. The strength of the business sector, especially the tech sector, is growing, making York region a centre for innovation in Canada. There is a tremendous amount of civic pride.

Challenges

Among the challenges, several themes emerged. Housing affordability arose in almost every conversation. It was cited not only as a problem for those of low-income or homeless youth, but also as a key issue when it comes to attracting talent to York region.

The United Way report also shows that the number of low-income households is rising, but those interviewed acknowledged that poverty is not a frequent topic of discussion.

Transportation also came up frequently, and the difficulty of ensuring those in more rural areas of York region could travel to jobs and economic development opportunities elsewhere.

Many interviewees expressed pride in the ethnic diversity, while acknowledging the barriers that non-English speaking newcomers face. The importance of economic development – through opportunities for youth and for newcomers, particularly entrepreneurs – was supported.

At a procurement workshop that involved officials from York Region and from the Board partner organizations, questions were raised about how to evaluate community benefits proposals from contractors. It was suggested that a cross-departmental group, with expertise in employment and economic development, could assist with evaluation.

Opportunities

Those interviewed suggested that any community benefits approach should focus on disadvantaged groups, especially youth and those who don't speak English as a first language.

While jobs and apprenticeships on construction sites are typical, they are best suited for major construction projects. It was suggested that York region could consider focusing on professional, administrative and technical jobs (PAT) for foreign-trained professionals and new graduates in design, engineering, and construction fields. Indeed, focusing on diversity, inclusion, new graduates and foreign-trained professionals, and making a concerted effort across business and government to create opportunities for these populations, could make York region a leader in a new kind of community benefits program.

However, lower-skilled and other kinds of jobs and training will still be needed for many disadvantaged workers, including homeless youth, low-skilled seniors living in poverty, and non-English speakers. In these sectors, construction and other avenues may still offer more appropriate opportunities.

Economic development was another area that garnered considerable interest. Some interviewed felt there needed to be mechanisms to build the capacity of small businesses to bid on government work, and various opportunities were suggested (partnerships with business associations, a small business hub, etc.) However, others – including economic development officers at the local government level – noted that a wide variety of capacity-building programs already exist for small businesses and entrepreneurs in York region, ranging from provincial and federal programs to small business enterprise centres (SBECs), entrepreneurial support organizations like Startup York, and specialized programs for tech startups like VentureLabs. They suggested that greater awareness of these programs, a better understanding of what the different programs do, and a way of “connecting the dots” for all of the different players in the ecosystem was needed.

For anchor institutions, an AnchorYork group (like AnchorTO) could be helpful as a way for institutions to learn together and share best practices.

Those involved in environmental services suggested using a wider sustainability lens, so that environmental benefits are considered and the interconnections between environmental, social

and economic systems are acknowledged. Complementarities with environmental and sustainability strategies should also be explored further.

More than one interviewee noted that the lack of understanding of community benefits and a natural tendency to avoid risk and change could stand in the way of adopting community benefits. It was suggested that a compelling narrative is needed: one that speaks to civic pride and helps parties understand the value proposition. Several people suggested that pilot or demonstration projects were a useful way to get community benefits underway.

A meeting with the Board on November 30, 2017 led to several suggestions about how to forward the use of community benefits, including:

- speak to York University to ensure that community benefits is considered in its upcoming campus expansion
- dovetail community benefits into the work being done to promote more rental housing in York region
- work on developing a “backbone” to support the use of community benefits by developers and contractors through supporting workforce and business readiness programs
- identify one project of sufficient scale that everyone can participate in

IX. Recommendations for a Community Benefits Framework

Based on the preceding research, our analysis of the legal and policy context, and the opportunities and challenges specific to York region, we recommend the following as key elements of a Community Benefits Framework for York region and its partners:

1) Priority areas

(a) Workforce opportunities for young graduates, newcomers (i.e. arrived in Canada within the last five years), internationally-trained professionals, and members of disadvantaged groups (defined as those who experience discrimination or barriers to equal opportunity, including Indigenous people, racialized groups, LBGTQ+ people, at-risk youth, the working poor, people with disabilities, the long-term unemployed and women);

(b) Supply-chain opportunities for SMEs/SEs, in particular small businesses and entrepreneurs, including those owned and led by newcomers or members of disadvantaged groups; and

(c) Opportunities for communities to pursue local objectives, for example affordable housing, public realm improvements, sustainability initiatives, etc.

Community engagement and consultation will help to build social inclusion, which itself is beneficial. However, it may also identify particular community needs and aspirations beyond workforce and supply chain initiatives, which may be addressable through the creation of additional localized community benefits.

2) Approaches

As evidenced by the research presented in this paper, there are a variety of approaches that can be used to achieve community benefits. The Framework will set out two recommended models:

- a) Community benefits in procurement – using the spending power of municipalities and institutions to support targeted workforce and apprenticeship opportunities for disadvantaged groups in service contracts and public infrastructure projects over a certain threshold, and supply chain opportunities for goods and services where appropriate.
- b) Community benefits in development – using public CBAs to require developers to create affordable rental housing where section 37 of the Planning Act or inclusionary zoning requirements do not apply, as well as to require targeted workforce opportunities and targeted procurement of goods and services where projects are of a sufficient scale.

For infrastructure and development projects, it makes sense to set minimum thresholds for workforce opportunities in order to ensure there is sufficient work to be meaningful for participants. An assessment of the likely scale of such projects in York region will help inform a realistic approach. Criteria can be designed, in consultation with workforce agencies and the trades, to address how to determine these thresholds, using such metrics as project value and duration, and the anticipated person-hours of labour.

3) Monitoring, tracking and compliance

A monitoring and evaluation framework will set out key performance indicators and an approach to monitoring compliance with community benefits requirements. Certain core measures that should be consistent across York region will be identified. Evaluation will be considered across individual contracts and initiatives as a whole. Suggestions will be made about how to evaluate long-term impact of community benefits on the practices and perceptions of those in the broader eco-system, including employers, community, workforce development agencies, and other partners

4) Resources

The Framework will identify resources required by the different parts of the ecosystem to make community benefits work, including:

- resources required by governments or procuring organizations to implement and monitor a community benefits program and individual agreements, including staff training, creation of guidelines, and resources for community and stakeholder engagement, monitoring and enforcement
- resources that may be required to establish and maintain an effective workforce pathway
- resources that may be required for coordination of supply chain initiatives
- the potential impact on the costs incurred by contractors (and potentially private sector developers)

X. Next steps

Once the Framework is drafted, a series of roundtables should take place with communities and stakeholders to discuss and refine the proposed areas of focus, approaches, and benefits, including:

- stakeholders involved in workforce planning and training, including Employment Ontario service providers, the trades and those working with newcomers
- economic development officers from York Region and local municipalities, boards of trades, chambers of commerce, and other associations supporting small businesses and entrepreneurs
- stakeholders from the construction and development industry, potentially aligning with SM4RT Living Plan's work on construction and demolition waste reduction and other sustainability initiatives
- procurement professionals from municipalities and anchor institutions
- community groups from across York region

These conversations may include considerations of different scenarios, to demonstrate how the approaches would work. Effectively, this framework will be co-designed with key stakeholders and partners across York region to ensure we are addressing how it would work for different organizations and players, and what will be required to sustain it over time.

As the Framework is being finalized, work will also begin on the toolkit, which will also be reviewed with internal and external stakeholders to ensure it meets their needs.

Methodology

The conclusions in this paper are based on:

- A jurisdictional scan, highlighting examples of how community benefits are used in different jurisdictions, including municipalities in Canada, the U.S. and the UK;
- Research drawn from scholarly literature, reports about community benefits and CBAs, and texts of CBAs, particularly in the U.S. and the U.K.
- Interviews with 28 individuals including staff from the Regional Municipality of York, members of the Human Services Planning Board of York Region, workforce agencies, labour and community stakeholders and relevant staff from the City of Vancouver between November 2017 – February 2018 (see Appendix E). Stakeholders were asked a variety of questions, including their views on opportunities and challenges in York region, needs that could be addressed by community benefits, applicability of community benefits (e.g. public infrastructure, private development, procurement of goods and services), the kinds of benefits that should be considered, potential partners, how and when to engage communities, and how to measure success.
- Meetings and discussions with staff from York Region social services,¹ and with economic development officers, boards of trade, chambers of commerce and others involved in supporting businesses at a regional Economic Development roundtable
- A procurement workshop with representatives from York Region and procurement experts from the Board member organizations
- A kickoff meeting with an internal staff project committee on December 6, and feedback from members of that group on a draft of this report

¹ Specifically: Brian Elo-Shepherd, Director Integrated Financial and Employment Support; Angela Dinatolo, Manager Ontario Works (North); Meena Jayarajan, Manager Ontario Works (South); Elizabeth Brims, Manager Ontario Works Transformation; Courtney Cassar, Social Services Analyst

Appendix A: Common components of CBAs in the US

CATEGORY	COMPONENT	USED IN	NOTES
HOUSING	Affordable housing (units in market-rate projects or geared to low-income households), funding or financing of affordable housing.	Atlanta, Denver, Hollywood, Los Angeles (Staples, Lorenzo), New Haven, San Francisco, Washington DC, New York (West Harlem), San Diego	
JOBS & SUPPLIERS	Recruitment and referral system for targeted communities	Los Angeles (Staples), New York (Kingsbridge, West Harlem), San Diego	Via existing agencies or new nonprofits
	Fund for pre-apprenticeship and apprenticeship or job training	Hollywood, Los Angeles (Staples), New Haven, New York (Terminal Market, West Harlem), San Diego, San Francisco, Washington DC, Wilmington DE	In Los Angeles and San Francisco, developer funds went to seed and operate a nonprofit to coordinate training, job placements and community engagement management
	Jobs and/or apprenticeships for local residents on construction project	Atlanta, Denver, Los Angeles (Staples), New Haven, New York (Terminal Market, West Harlem), Pittsburgh, Philadelphia, San Diego, San Francisco, Wilmington DE, Vancouver, Oakland	
	Jobs for local residents on ongoing basis (post-construction)	Hollywood (Highland), Pittsburgh, Oakland	
	Living wage provisions	Denver, Hollywood, Los Angeles (Staples), Pittsburgh, San Diego, NY (West Harlem)	
	Local procurement/supplier provisions	New York (Terminal Market, West Harlem), Wilmington DE	The U.S has government programs pertaining to minority-owned, women-owned and locally-owned business enterprises (M/W/LBE) so benefits are often targeted accordingly
COMMUNITY ASSETS AND PUBLIC REALM	Parks, open space and streetscapes (creation/redevelopment/planning studies)	Hollywood, Los Angeles (Staples), New York (Terminal Market), Philadelphia, Vancouver, New Haven	
	Funding or space for arts or public art	Hollywood, New York (Kingsbridge, West Harlem), San Diego	
	Space for local retailers/businesses	Washington DC, LA (Lorenzo), NY (West Harlem)	
	Support for social enterprises	NYC (Kingsbridge)	
	Space and/or support for community space, e.g. community centre, child care centres, seniors' centre, community kitchen, community gardens, schools	Hollywood, Pittsburgh, Vancouver, Los Angeles (Marlton Square), NY (West Harlem), San Diego	The West Harlem agreement included significant and wide-ranging contributions to education from Columbia University.
	Health clinic/funding for medical care	New Haven, Los Angeles (Lorenzo)	
	Support for social programming (for youth, seniors, newcomers, etc.) or local non-profit agencies	NYC (Kingsbridge, West Harlem), New Haven	
	Food market	Hollywood, Pittsburgh, San Diego	
	Residential or other parking programs	Los Angeles (Staples, Lorenzo), Wilmington DE, New Haven	
OTHER	Interest-free or affordable loans to nonprofits	Los Angeles (Staples, Lorenzo), Hollywood/Grand Ave., New York (West Harlem)	Most are in form of a fund to acquire, develop or maintain affordable housing
	Free or subsidized Internet access and/or computer hardware for low-income residents, public libraries, parks, nonprofits and/or schools	Minneapolis, NYC (Kingsbridge)	Minneapolis, unusually, was a "digital inclusion CBA"
	Donations to the city (general)	Philadelphia, New Haven	In New Haven, the developer funded two new positions at the city as well as made "voluntary" contributions
	Donations to public transit system	Philadelphia	

Source: Graser, D. *Community Benefits and Tower Renewal*, 2016

Appendix B: The UK approach

In 2012, the U.K. Government supported a Private Members Bill that became the *Social Value Act*. This relates only to larger services contracts in England and some UK-Government organizations in Wales, and required the procurement body to 'consider whether it could also 'secure wider social, economic and environmental benefits'.² So 'social value' is a term that reflects all elements of 'sustainable development' as set out in UK policies, rather than just the narrower range of uses in the 2006 guidance³. The Act can be seen as 'enabling legislation' that provides a Power for any contracting authority in England to include social value in its procurement. However it is limited by the focus on services contracts; by the ease with which procurement teams dismiss any obligation to act; and by the very wide range of issues - some of which might already be common practice in procurement - that could be counted as 'social value'. While there has been some innovation by contracting authorities this has mainly been by Local Authorities that already had the power to procure 'social value'.

Separate from the 'social value' activity the UK Government has issued two relevant Procurement Policy Notes. The first (August 2015) requires that procurement teams for all Central Government Bodies (and Agency) contracts over £10m and 12 months durations 'determine whether apprenticeships and skills development are sufficiently linked to the subject of the contract to be included as tendering and contractual requirements'.⁴ The second requires these bodies to adopt a prescribed Balanced Scorecard in the preparation of all construction, infrastructure and capital investment procurements with a value of over £10m as a way to consider what they wish to purchase: so what to include in the business case that must be prepared for approval of each project. The scorecard includes options to include employment and skills, supply-chain requirements and 'community benefits'.⁵ The first of these documents is quite prescriptive in the methods to be used but does not include model clauses or good practice advice. Also, it favours an approach whereby the potential contracting organizations advise on what could be delivered (in the pre-recruitment stage) and then determine what will be delivered (in the bid stage), rather than the client following good procurement practice and specifying a requirement. Perhaps unsurprisingly the stated aspiration of 3%-5% of the workforce to be apprentices, students or on graduate programmes is well below what has been achieved in other UK approaches, and illustrated in the International comparisons above.

The Scottish Government's *Procurement Reform Act, 2014*⁶ (PRA) requires the consideration of a community benefit requirement for all regulated procurements of £4 million or more.⁷ The PRA also requires any contracting authority which expects to have "significant" procurement expenditures in the next year (£5 million or more) to prepare and publish a procurement strategy that includes the authority's policy on the use of community benefit requirements, consultation

² Social Value act: information and resources. . www.gov.uk/government/publications/social-value-act-information . May 2016

³ Social Issues in Purchasing. Office for Government Purchasing, London 2006.

⁴ Procurement Policy Note 14/15 - Supporting Apprenticeships and Skills Through public Procurement. Crown Commercial Service. London.

⁵ Procurement Policy Note 09/16 - Procuring growth Balanced Scorecard.

⁶ Procurement Reform (Scotland) Act 2014, ASP 2014

⁷ Contracting authorities must, in the contract notice relating to the procurement, include either a summary of the community benefit requirements it intends to include in the contract, or a statement of its reasons for not including those requirements: PRA, s. 25

with those affected by the procurement, 'living wages'⁸ for those fulfilling the procurements, and ethical sourcing of goods and services.⁹ However, it should be noted that the definition of community benefits has been broadened to include environmental issues

In Northern Ireland the Programme for Government 2011-2106 included a commitment to use 'social clauses' in all works, services and supplies contracts. This was implemented by The Procurement Board, which revised the term to 'community benefits' and defined this as including environmental requirements. However, an internal review found that a key expectation around targeted recruitment and training was not effectively being delivered and in 2015/16 The Board adopted a revised approach. The new Buy Social approach is mandatory in projects with a value exceeding £2 million for construction, £4 million for infrastructure and £500,000 for services. It emphasizes "first-job opportunities" that target the long-term unemployed, apprentices and young people.¹⁰ Guidance on the approach is available online¹¹ and a Buy Social Unit supports procurement teams and operates a monitoring and reporting service.

After a pilot phase, the Government of Wales launched the Wales Procurement Policy Statement (WPPS) in 2012, which set out key principles to govern public procurement activity in Wales, including community benefits.¹² The Government also published information and guidance¹³ and established a Community Benefits Measurement Tool ("CBMT") to capture the outcomes and calculate a local economic multiplier based on those outcomes. The use of the approach was not mandatory apart from the provision of information to the Measurement Tool, which is mandatory for all contracts with a value over £1m (including works, services and supplies). In addition the Government supported the development of The CAN DO Toolkit on Targeted Recruitment and Training for use by social housing organizations that were delivering government programs to upgrade social housing across Wales.

Municipalities and housing authorities have also been active in the UK and taken different approaches to including community benefits in procurement. Birmingham, England, adopted a Procurement Policy for Jobs and Skills in 2010, with the goal of boosting the local economy by maximizing the social value that the city obtains from its £1 billion purchasing power. Both Birmingham and Nottingham, England use "charters" as well: a set of guiding principles that extend to their contracted suppliers, which seek to maximize economic, social, and environmental outcomes and which require commitments by suppliers to local employment, local purchasing, sustainability, and ethical procurement. (See the Birmingham case study in section in the main text).

⁸ Usually determined by an independent Living Wage Foundation, rather than that of the UK Government that 'co-opted' the language in renaming 'the minimum wage'.

⁹ In 2002, a groundbreaking paper by Richard Macfarlane and Mark Cook for the Joseph Rowntree Foundation, "Achieving Community Benefits through Contracts", resulted in a series of pilot projects in Scotland between 2004-2006. These led to a 2008 report published by the Scottish government that outlined a methodology for including community benefits, or "social clauses," in public contracts. Since then, the use of community benefits clauses in procurement has become so common in the Scottish public sector that legislation is generally felt to have caught up with practice, rather than the other way around.

¹⁰ For every £1 million of contract value, the contractor must provide 52 weeks of employment for someone in one of these groups (e.g. a £50-million contract to build a hospital would provide 70 person-years of employment). However, the contractor has the flexibility to choose how many of each of these groups they will employ, be it apprentices, youth, or other categories

¹¹ www.buysocialNI.com

¹² This includes environmental issues

¹³ Community Benefits: Delivering Maximum Value for the Welsh Pound. Cardiff 2014

Appendix C: Legal framework

Community benefits in Ontario takes place within an existing legal and regulatory framework, both provincial and municipal, as outlined below.

Although there is not yet federal legislation, a Private Members' Bill in the House of Commons has reached concurrence at committee following the second reading. Bill C-344, An Act to amend the Department of Public Works and Government Services Act (community benefit), provides the Minister with the authority to require an assessment of the benefits that a community derives from a federal construction, maintenance or repair project.

In addition, the backgrounder to a recent Canada-Ontario infrastructure funding announcement noted that in addition to applying a climate lens to certain projects, “partners will also report on how larger projects are creating job opportunities for a broader array of Canadians in the construction industry and related sectors through a new Community Employment Benefits framework.”⁶⁷ No further information is given as to requirements that may be imposed or how compliance might be assessed.

*Infrastructure for Jobs and Prosperity Act, 2015*¹⁴ (“IIPA”)

The IIPA’s purpose is to encourage “principled, evidence-based and strategic long-term infrastructure planning that supports job creation and training opportunities, economic growth and protection of the environment” as well as design excellence.¹⁵

Section 3 of the IIPA sets out a number of principles that must be considered by the province and broader public sector, including municipalities, when planning and investing in infrastructure. Section 3(13) specifically requires consideration of community benefits, stating:

Infrastructure planning and investment should promote community benefits, being the supplementary social and economic benefits arising from an infrastructure project that are intended to improve the well-being of a community affected by the project, such as local job creation and training opportunities (including for apprentices, within the meaning of section 9), improvement of public space within the community, and any specific benefits identified by the community.

Section 9 of the IIPA gives the province the authority to regulate requirements for targeted apprenticeship and employment opportunities into its own infrastructure projects. A further basis for considering community benefits can also be found in section 7 of the Act, which states that the Government of Ontario must consider, in its prioritization of projects, whether construction of an asset would support “any other public policy goals of the Government of Ontario or of any affected municipalities in Ontario.”

Section 11 notes that the IIPA does not diminish or alter the obligations of the Province or other public sector entities to meet any other legal obligation. Section 12 sets out the province’s authority to enact regulations governing both municipal infrastructure asset management plans and apprenticeships.

¹⁴ , S.O. 2015, c. 15

¹⁵ *Ibid.*, s. 1.

The IJPA gives the province the authority to regulate municipal asset management planning. It also requires the province to develop and maintain long-term infrastructure plans, the first of which was released in November of 2017.

The Long-Term Infrastructure Plan (LTIP)

Community benefits are well on their way to being enshrined as a public policy goal for the province – not only have they been referenced in both Budget 2017 and in the mandate letter of the Minister of Infrastructure,¹⁶ but Ontario’s new Long-Term Infrastructure Plan (LTIP) commits to develop a policy framework for community benefits.

The LTIP sets out three kinds of initiatives: workforce development opportunities for traditionally disadvantaged communities, underrepresented workers and local residents; social procurement initiatives for the purchase of goods and services from local or social enterprises; and supplementary benefit initiatives, which are other benefits requested by a local community in a neighbourhood affected by an infrastructure project. It sets out a process which will include community benefits pilot projects (to be selected in early 2018) to test different approaches, the development of a community benefits framework in partnership with stakeholders and partners, and application of the framework to all major public infrastructure projects by 2020. Notably, the framework will also encourage other levels of government, especially municipal and regional, to promote community benefits on their own infrastructure projects.¹⁷

The LTIP also contains a section on modernizing apprenticeships to increase participation and completion rates for underrepresented groups, and will consider an approach to ensure that its major public infrastructure projects include plans to implement apprenticeships.

Planning Act¹⁸

The Planning Act provides the foundation and rules on how land use planning should occur across the province and who controls those uses. The provincial government does this through various policies and mechanisms that ensure municipalities can act in keeping with provincial interests, yet make autonomous decisions about land use.¹⁹

Municipalities regulate and control land uses through official plans, zoning bylaws and variances, as well as other land and site planning requirements and instruments.

The Planning Act recognizes that all stakeholders (e.g., municipal councils, landowners, developers, planners, and the public) have a role to play in creating, shaping, and sustaining communities. Finding shared goals and balancing competing interests of the various parties are core to community planning. Public engagement is also a requirement in many land use

¹⁶In Ontario’s Budget 2017, the province committed to creating a broader community benefits framework, “guided by the principle that public procurement can create community benefits that go beyond simply building infrastructure. <https://www.fin.gov.on.ca/en/budget/ontariobudgets/2017/contents.html> Minister Chiarelli’s mandate letter directs him to ensure that “infrastructure priorities for the province align with provincial priorities relating to growth planning and community benefit agreements.” <https://www.ontario.ca/page/september-2016-mandate-letter-infrastructure>

¹⁷ <https://news.ontario.ca/moi/en/2017/11/long-term-infrastructure-plan-focused-on-building-ontario-up.html>

¹⁸ R.S.O. 1990, c. P.13.

¹⁹ These policies and instruments include the Provincial Policy Statement; Places to Grow - Growth Plan for the Greater Golden Horseshoe; the Greenbelt Act and Plan; the Oak Ridges Moraine Conservation Plan; and the Lake Simcoe Protection Plan.

procedures, and can itself be leveraged to discuss community benefits with local communities at an early stage of a project.

Recent changes to legislation, when they come into force, will give municipalities the option of requiring affordable housing units as part of residential developments (“inclusionary zoning”). Whether and how municipalities in York region choose to utilize this power may impact whether affordable housing could be considered part of a community benefits program.²⁰

Section 37 of the Planning Act

The notion of “community benefits” is often confused with density bonusing and more specifically, in Ontario, with section 37 of the Planning Act. Section 37 states that a local municipality may, through a bylaw, “authorize increases in the height and density of development otherwise permitted by the bylaw that will be permitted in return for the provision of such facilities, services or matters as are set out in the bylaw.”²¹ Put another way, municipalities can negotiate contributions for a range of local benefits with developers who wish to build a site that is taller or denser than allowed under applicable zoning, as long as they have a policy guiding this practice under their Official Plans.

Most s. 37 guidelines require that contributions made by developers are in the form of capital assets, such as parks and public art, in or near the neighbourhood where the development is being built. However, the language of s. 37 does not limit contributions to capital, given that it allows for the provision of “services or matters” as well. A municipality could choose to amend its s. 37 guidelines to allow for the provision of noncapital benefits, as well as to require more significant consultation with affected communities, should it wish to use s. 37 to provide for supplementary community benefits of the sort that are discussed in this study.²²

Accessibility for Ontarians with Disabilities Act, 2005 (AODA)

The purpose of AODA is to develop, implement, and enforce accessibility standards for Ontarians with disabilities. These standards, developed together with people with disabilities, government, and industry, apply to goods and services, facilities, accommodation, employment, buildings, and other structures and premises. Through regulations,²³ accessibility standards have been set for information and communications, employment, transportation, the design of public spaces, and customer service, which are to come into force over a period of time between enactment and 2025.

Municipalities have specific requirements under AODA and the regulations, including incorporating accessibility design, criteria, and features when procuring or acquiring goods, services or facilities, except where it is not practicable to do so.²⁴ However, community benefits offers an opportunity for municipalities to provide benefits to people with disabilities that expedite and/or exceed requirements under AODA – for example, by targeting workforce provisions for people with disabilities or increasing accessibility features in public facilities.

²⁰ For information on inclusionary zoning, see <http://www.mah.gov.on.ca/Page13790.aspx>

²¹ Planning Act, R.S.O. 1990, c. P.13. Retrieved from the Government of Ontario website: <https://www.ontario.ca/laws/statute/90p13>

²² See Ben Hanff, “Bringing Community Benefits to Toronto Neighbourhoods” (unpublished) 2 May 2016, available at <http://dinagraser.ca/wp-content/uploads/2017/05/Hanff-Ben-CBAs-Final.pdf>

²³ O. Reg. 191/11

²⁴ *Ibid.*, s. 5

Municipal Act, 2001

While the Municipal Act does not preclude municipalities from adopting community benefits approaches in infrastructure planning and investment, under s. 106 of the Act, municipalities cannot offer resources to developers that create an economic advantage to them. The broad purposes of the legislation (which are to provide responsible and accountable government for those matters under municipal jurisdiction), the powers provided to municipalities with respect to a wide range of infrastructure categories, and the requirements under the Act for a municipal procurement policy²⁵ all provide ample opportunity for the incorporation of community benefits.

Procurement Policies

Regional Municipality of York Purchasing Bylaw No. 2017-30 (the “Bylaw”)

The Bylaw provides for the procurement of goods and services, as required by 270(1) of the Municipal Act, 2001.

The Bylaw sets out five objectives, including the encouragement of competition among contractors, obtaining best value, ensuring fairness, objectivity, accountability and transparency in the procurement process, encouraging environmentally responsible and sustainable procurement while maintaining fiscal prudence, and promoting and implementing practices that support AODA.

It sets out processes for the authorization of purchases over certain thresholds, exemptions and restrictions. The Bylaw distinguishes between requests for tenders, where deliverables can be clearly specified and the lowest cost responsive bid must be accepted without negotiation; and a request for proposals, where the deliverables are not clearly specified and where the contract may be awarded by the Commissioner or Chief Administrative Officer, subject to certain thresholds.

The Bylaw also requires the use of standardized documentation, to the extent possible, for the form of call for bids and evaluations, along with clearly specified evaluation criteria and weightings in the case of a request for proposals.

The Bylaw notes, at s. 3.8, that “The provisions of any domestic or international treaty governing procurement shall prevail to the extent of any conflict with this bylaw.” As discussed in more detail below, this creates a fair degree of scope for community benefits, depending on how they are framed.

Finally, it should be noted that s. 3.3. of the Bylaw states “Despite any other provision of this bylaw, Council may authorize any purchase or method of procurement where to do so would be in the best interests of the Region.” The Bylaw therefore contemplates procedural flexibility with respect to procurement practices, with the oversight of Council.

Broader Public Service Procurement Directive (BPS)

The BPS Procurement Directive does not apply to municipalities, but it does apply to hospitals, school boards, colleges and universities, children’s aid societies, community care access

²⁵ *Municipal Act, 2001*, S.O. 2001, c. 25.

corporations, and publicly funded organizations that received public funds of \$10M or more in the previous fiscal year.

Its purpose is to ensure that procurement processes for goods, services, and construction are fair, transparent and competitive. Its principles include accountability, transparency, value-for-money, quality service delivery, and process standardization. It sets out 25 mandatory requirements that must be included in the policies and procedures of organizations subject to the Directive.

While a preliminary review of the Directive does not reveal anything that would come into conflict with a community benefits policy, the complexity of the rules and procedures act as an effective deterrent to accessibility by SMEs or social enterprises which may otherwise wish to bid on institutional work.

The Ontario government announced an Innovation Procurement Initiative in 2014. The Ministry of Government and Consumer Services (MGCS) has been working to encourage innovation among organizations bound by the BPS within the existing context. It has developed a primer with different market engagement strategies and procurement models to set out different variations on innovation procurement.²⁶

Of note, the Ministry of Economic Development and Growth recently launched the Procurement and Investment Readiness Fund. The \$6 million fund is intended to build the capacity of social enterprises to compete for procurement opportunities. It will provide grants to enable social enterprises to connect with service providers in three granting streams: assessment grants (up to \$5,000); capacity building grants (up to \$50,000); and catalytic grants (up to \$100,000).²⁷

York Region 2015-2019 Strategic Plan

York Region's Official Plan and Vision 2051 set out broad principles and a vision for the future of the region. The 2015-2019 Strategic Plan provides a roadmap to the Region's priorities in the immediate future, building on the long range strategies and goals found in these documents.

The four strategic priority areas in the 2015-2019 Strategic Plan are:

1. Strengthen York region's economy
2. Support community health and well-being
3. Manage environmentally sustainable growth
4. Provide responsive and efficient public service.

Several of these priority areas can be served by integrating community benefits approaches. In particular, the items set out under categories 1 and 3 are relevant. Under strengthening the economy, one of the key action items identified is to "enhance workforce development strategies assisting underemployed and unemployed residents", in order to support the objective of supporting the development and retention of a region-wide workforce. As a performance measure, York Region has identified an increased percentage of engagements with targeted business sectors, and decreased average time on social assistance.

In the second category of supporting community health and wellbeing, York Region has identified the need to increase and sustain rental housing, and advance plans to promote diversity and

²⁶ See [BPS Primer on Innovation Procurement \(Interim\)](#)

²⁷ <https://www.ontario.ca/page/procurement-and-investment-readiness-fund>

inclusivity. These are goals that can be included, if desired, into a community benefits framework.

The Human Services Planning Board of York Region has set out a 2016-2018 Action Plan, “Making Ends Meet in York Region”, that squarely addresses these needs, including a commitment to

- explore new workforce development strategies;
- build and showcase a business case for employers outlining the benefits of progressive employment, including community benefits agreements;
- advocate for public policy and programming that supports progressive employment practices;
- enhance services and supports to help residents pursue progressive employment opportunities; and
- identify programs and tools that provide incentives to increase private market rental housing supply

“Making Ends Meet” also provides definitions, desired results and indicators which are all helpful in shaping an approach to community benefits, monitoring and evaluation.

Trade Agreements

Trade agreements, which prohibit the giving of local preference, often concern procurement departments where community benefits approaches target local businesses. There are three roads to avoid this issue. First, giving preference to local vendors for contracts under certain thresholds is permissible (see below for threshold limits). Second, the trade agreements contain certain exceptions for areas like poverty reduction and aboriginal people, which could be utilized. And third, while the agreements disallow specifications that define suppliers within certain geographic areas, purchasers could potentially consider including specifications for bidders where local knowledge or other local skillsets are essential to the procurement of a service or supply.²⁸

In addition, where a municipality enters into a development agreement or CBA with a private developer and imposes community benefits conditions on that developer, the developer may not be subject to the agreements.

The Canadian Free Trade Agreement (formerly the Internal Agreement on Trade)

The CFTA took effect on July 1, 2017 and prohibits discrimination based on the province or territory of origin for goods, services, workers and investments²⁹. CFTA is only applicable over certain thresholds: for municipalities, \$100,000 or greater for goods and services, and \$250,000 for construction.³⁰ Procurements with Aboriginal peoples are exempt.³¹ There is also an

²⁸ See Article 507 CFTA and Article 19.7 CETA. Infrastructure Ontario, for example, has a “local knowledge” criterion that effectively accomplishes this.

²⁹ The Ontario-Quebec Trade and Cooperation Agreement (OQTCA) aligns with the CFTA. Article 503 (5) prohibits preference for local goods, services and suppliers.

³⁰ Exclusive of taxes

³¹ Government of Ontario, Trade Agreement Obligations for Public Sector Organizations, August 10, 2017, online at [https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb_nsf/0/cda626c71570dbc2852581b60054de49/\\$FILE/2017-10-10-Webinar-Presentation-Trade-Agreement-Obligations.pdf](https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb_nsf/0/cda626c71570dbc2852581b60054de49/$FILE/2017-10-10-Webinar-Presentation-Trade-Agreement-Obligations.pdf)

exception to these thresholds for poverty reduction³² and small business set-aside programs, with certain conditions.³³

The Canada-Europe Trade Agreement (CETA)

CETA came into effect on September 21, 2017. It applies to municipalities and contains thresholds as well: for goods and services, \$340,600 and for construction services, \$8.5M.³⁴ It also allows preferences for Aboriginal peoples.³⁵

Some of the CETA rules do not apply to construction contracts for certain public-private partnerships (also known in Ontario as Alternative Financing and Procurement), i.e. those where the supplier of the service has temporary ownership, or a right to control, operate and earn revenue for the use of a building or works.³⁶

³² Ontario's Schedule of Exceptions states "Article 507.1 and Article 509.1 do not apply to procurement that targets poverty reduction for disadvantaged natural persons if the value of the procurement is below \$200,000."

³³ Chapter 504, s. 13 states: "This Chapter does not apply to procurement that is part of a small business set-aside program provided that the program is fair, open, transparent, and does not discriminate on the basis of origin or location within Canada of goods, services, or suppliers."

³⁴ Figures are revised every two years.

³⁵ Article 12.2.2

³⁶ For a useful overview, see Boscarol, J., Gaslgow, R., Stanic, L. Canada-EU Comprehensive Economic and Trade Agreement: Sub-Federal Procurement Challenges Ahead (July 4, 2017), available online at http://www.mccarthy.ca/article_detail.aspx?id=7367

Appendix D: Employment outcomes from Regent Park Redevelopment

This Appendix provides some detailed information on workforce outcomes related to the Regent Park Redevelopment. The table below provides employment outcomes reported by Regent Park Employment Services related to the project. On the following page we provide additional information on employment outcomes supported by the Daniels Corporation, the developer on the project.

REGENT PARK EMPLOYMENT SERVICES - EMPLOYMENT TOTALS											
TOTAL HIRE COUNT	2007/08	2009	2010	2011	2012	2013	2014	2015	2016	2017	PROJECT
REVITALIZATION PARTNERSHIPS	26	22	138	15	66	28	21	61	2	1	380
<input type="checkbox"/> Daniels Corp./Construction/Trades	23	13	14	7	4	6	8	4	1	1	80
<input type="checkbox"/> RBC	3	9	2	7	0	3	2	0	0	0	26
<input type="checkbox"/> Rogers Communications	0	0	2	0	0	0	0	0	0	0	2
<input type="checkbox"/> Tim Horton's	0	0	40	0	2	0	1	0	0	0	43
<input type="checkbox"/> FreshCo (Sobeys)	0	0	80	0	1	1	2	0	0	0	84
<input type="checkbox"/> Artscape	n/a	n/a	n/a	n/a	22	10	2	4	0	0	38
<input type="checkbox"/> Paintbox Bistro/Catering	n/a	n/a	n/a	n/a	37	8	3	0	0	0	48
<input type="checkbox"/> TD Centre of Learning	n/a	n/a	n/a	1	0	0	3	6	1	0	11
<input type="checkbox"/> Shoppers Drug Mart	n/a	n/a	n/a	n/a	n/a	n/a	n/a	47	0	0	47
OTHER EMPLOYMENT INITIATIVES	14	11	15	19	47	73	75	37	161	47	503
<input type="checkbox"/> Employment Ontario (EO) Partners	n/a	n/a	n/a	9	2	6	2	0	41	15	62
<input type="checkbox"/> Other Local Partners (TCH, Daniels, etc)	n/a	n/a	n/a	2	39	31	13	13	8	1	106
<input type="checkbox"/> Investing in Neighbourhoods	7	5	7	5	5	3	1	5	23	0	62
<input type="checkbox"/> Moving Towards Opportunity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25	0	25
<input type="checkbox"/> CRAFT	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	13	0	13
<input type="checkbox"/> Mill Centre Carpentry Program	n/a	n/a	n/a	n/a	n/a	6	9	0	0	29	15
<input type="checkbox"/> PAYE	0	1	1	0	0	0	2	8	32	0	45
<input type="checkbox"/> Food Handler's Certification	n/a	n/a	n/a	n/a	n/a	7	17	0	0	0	24
<input type="checkbox"/> Centreville	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	14	0	14
<input type="checkbox"/> Aboriginal Initiatives	n/a	n/a	n/a	n/a	n/a	9	2	0	0	0	11
<input type="checkbox"/> City of Toronto Agencies, Boards, Commissions, Corporations	7	5	7	3	1	11	29	11	5	1	79
BROADER CONNECTIONS	32	33	66	60	29	67	111	122	59	8	591
TOTAL	72	66	219	94	142	168	207	220	222	56	1474

Daniels Corporation Regent Park Job Creation (as of 2017)

- **14** job postings in the construction industry have been made available to local residents as a direct result of Daniels' relationships with trade contractors in 2017. **2** of these positions have been filled by Regent Park Residents and/or Toronto Community Housing Tenants including positions as a full-time contract signal person and full-time temporary kitchen cabinet assembler.
- **8** local residents have been hired by to fill positions within Daniels' internal teams in 2017. Daniels created **2** temporary full-time positions for youth involved in the MTO program, **3** temporary full-time positions were created for youth involved in the CRAFT program, and **3** positions were filled with local labour through unique postings including 1 permanent full-time position in accounting, 1 permanent full-time and 1 temporary full-time position in administration.
- **29** local youth were provided with temporary full-time employment and **3** with temporary part-time employment over the summer through the MTO program, of which Daniels is a founding partner.
- **12** local youth were provided with temporary full-time employment though the CRAFT program, of which Daniels is a founding partner.
- **28** of Daniels' consultants, trade contractors, partners and contacts hired a Regent Park and/or TCH resident this past year through the various employment initiatives. **19** organizations hired through the MTO program, **7** hired through the CRAFT program, and **2** hired through unique job postings outlined above.

Appendix E: List of those interviewed

(In alphabetical order)

Pedro Barata, Senior Vice President, Community Impact & Strategy, United Way
John Cartwright, President, Toronto & York District Labour Council
Nick Caughey, Senior Counsel, Construction Law, The Regional Municipality of York
Lucas Chang, COO, Perfectly Soft / Co-Lead, Startup York
Katherine Chislett, Commissioner of Community and Health Services, The Regional Municipality of York
Heather Crosbie, Senior Analyst and Jane Gertner, Vice President, Partnerships and External Relations, VentureLab
Loralee Delbrouck, Sustainability Specialist, City of Vancouver
Denis Gravelle, Chair, Faculty of Continuing Education and Training, Nicole Pereira, Manager, Government Contracts & Training Services, and Yvette Liao, Program Manager, Seneca College
Adam Erwood, Manager of Innovation, Markham Stouffville Hospital
Lisa Gonsalves, Director, Strategies & Partnerships Branch, The Regional Municipality of York
Clovis Grant, Executive Director, 360Kids
Susan LaRosa, Co-chair Human Services Planning Board of York Region
Doug Lindblom, Director, Economic Strategy, The Regional Municipality of York
Erin Mahoney, Commissioner, Environmental Services, The Regional Municipality of York
Jo-Anne Marr, President & CEO, Markham-Stouffville Hospital
Peter Miasek, former President, Unionville Ratepayers Association
Jerry Paglia, Director, Procurement Office, The Regional Municipality of York
Jane Pyper, Chief Operations and Service Officer, and Darlene Holowachuk, Senior VP for Employment and Community, YMCA
Sony Rai, Architect / Sustainable Vaughan
Wes Regan, Social Planner, Community Economic Development and Poverty Reduction, City of Vancouver
Debra Scott, President & CEO, Newmarket Chamber of Commerce
Alick Siu, President, Unionville Ratepayers Association
Lorne Sossin, Special Advisor to the President on Community Engagement and
Lorna Schwartzenruber, Manager, Community Engagement York University
John Taylor, Newmarket Councillor & Human Services Planning Board of York Region Co-chair
Mary-Frances Turner, CEO, VivaNext
Al Wilson, Workforce Planning Board
Moy Wong-Tam, Centre for Immigrant and Community Services

Endnotes

¹ In Canada, the term is sometimes used to refer to benefits that are traded for extra density in developments; e.g. in Ontario, traditionally via s. 37 of the Planning Act. It can also be used as a synonym for public goods or services in general, for sustainability initiatives, or by corporations in the context of resource extraction or philanthropy. In the U.S., banks and other corporations offering philanthropic or favourable investment products tend to call these initiatives “community benefits agreement” though they are quite different than what we are discussing here. See, e.g. <https://www.prnewswire.com/news-releases/first-financial-bank-announces-community-investment-plan-300538838.html>

² This was the case, for example, with the California Redevelopment Agency in Los Angeles. For a fuller discussion, see Graser, D. Community Benefits in Practice and in Policy (2016) Atkinson Foundation. In Ontario, however, municipalities must take care that any incentives do not contravene s. 106 of the *Municipal Act*, which states “a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose.”

³ Oakland Army Base: see <http://juliangross.net/oakland-army-base.html>

⁴ However, Julian Gross, an attorney who has negotiated dozens of CBAs in the US, maintains that communities should have an independent right to enforce an agreement even where a city is a signatory, since cities do not always take steps to enforce when compliance is lacking. (Gross, Community Benefits Agreements: Making Development Projects Accountable, 2005) at 25.

⁵ There are some notorious examples of CBAs “gone wrong” on this score: see, e.g. the Atlantic Yards project in Brooklyn, where the developer was accused of handpicking community groups: see Rosenblum, D. (2013). *Selling Low, Building High: How Brooklyn Dropped the Ball on the Biggest Negotiation of its Life*, online at <http://nextcity.org/features/view/selling-low-building-high> or Oder, N., Atlantic Yards, Pacific Park, and the Culture of Cheating, online at <https://atlanticyardsreport.blogspot.ca/p/atlantic-yards-and-culture-of-cheating.html>

⁶ A good example is in Chicago, where community activists have been pressing the Obama Foundation for a CBA to concretize commitments that have been made for local hiring and economic development in the area around the Obama Presidential Library. See <http://www.obamacba.org/>

⁷ As was the case in the expansion of the Los Angeles Airport in 2004, or water infrastructure projects in Portland, Oregon in 2012 (see case studies, s. II).

⁸ This has been expressed as a concern by planning authorities in the UK, but also in Toronto, where demands placed on developers in certain locations leads to them simply developing elsewhere rather than complying.

⁹ In fact there were three distinct agreements: a CBA between the City of Oakland and a coalition of community groups; a PLA between the City and trade unions; and the development agreement. All agreements are available online at www.juliangross.net

¹⁰ See http://www.juliangross.net/docs/CBA/Facebook_ETB_Partnership_Release.12.216.pdf

¹¹ See, e.g. the new Academy for Sustainable Innovation which offers courses in driving environmental and social value: <http://sustainableinnovation.academy/offerings/sustainable-procurement-action-learning-lab/>

¹² Procurement Reform (Scotland) Act 2014, ASP 2014

¹³ Contracting authorities must, in the contract notice relating to the procurement, include either a summary of the community benefit requirements it intends to include in the contract, or a statement of its reasons for not including those requirements: PRA, s. 25(3).

¹⁴ For every £1 million of contract value, the contractor must provide 52 weeks of employment for someone in one of these groups (e.g. a £50-million contract to build a hospital would provide 70 person-years of employment). However, the contractor has the flexibility to choose how many of each of these groups they will employ, be it apprentices, youth, or other categories

¹⁵ www.buysocialNI.com

¹⁶ Social issues in purchasing. Office of Government Commerce. London. February 2006. Other examples of social issues given include equalities, fair trade and the International Labour Organization’s ‘core labour standards

¹⁷ GMCA Social Value Policy, November 2014

¹⁸ PLAs require the use of union labour; in exchange for commitments respecting targeted apprenticeships and hiring, the projects benefit from the assurance of labour peace. Community Workforce Agreements (“CWAs”) are a variation: effectively targeted hiring programs for developments that focus on the construction sector, although they can sometimes include non-construction jobs as well. See https://www.planningmi.org/downloads/michigan_planner_cbas_2014.pdf

¹⁹ The County Board in Milwaukee worked with a community coalition to include community benefit provisions in what became the Park East Redevelopment Compact (PERC) for lands in a downtown redevelopment area. The policy required developers to include targeted hiring, affordable housing, green space and green design. In part due to the

financial crisis of the late 2000s, development has been slow to materialize in this area so there has been little reporting in the way of results. Text of the PERC is available at

http://www.forworkingfamilies.org/sites/pwf/files/documents/PERC_0.pdf

²⁰Community benefits language was included in a city ordinance for the development of the Atlanta BeltLine, a \$2 billion, 20-year transit project that included affordable housing, brownfield remediation, green space and public art. An estimated 7200 permanent jobs were created between 2006 and 2014, with an estimated 26,600 one-year construction jobs created since 2006. However at the halfway mark of the project, only 785 affordable homes have been built of the 5600 that were promised, more than 200 of which are still under construction. Mariano, W., Conway, L. and Ondieki, A. *How the Atlanta Beltline broke its promise on affordable housing*. The Atlanta Journal-Constitution July 13, 2017, online at <http://www.myajc.com/news/local/how-the-atlanta-beltline-broke-its-promise-affordable-housing/0VXnu1BIYC0IbA9U4u2CEM/>

²¹ Section 106 agreements are “a mechanism which make a development proposal acceptable in planning terms, that would not otherwise be acceptable... focused on site specific mitigation of the impact of development.” An early study showed that most of these agreements secured money rather than employment and training or other community benefits. In addition, most were in London and the South of England where there was development pressure and therefore Authorities felt able to seek community benefits from the Developer. Since the early 2000s the Planning Legislation has changed several times, creating doubts about whether Planning Authorities could or should include community benefits in their policies, without which they could not legitimately ask developers to make contributions. Local Jobs from Local Development. Richard Macfarlane and Community Consultants Ltd. Joseph Rowntree Foundation and York Publishing. 2000.

²² In addition, several provinces have legislation or guidelines respecting some form of community benefits in procurement: Nova Scotia, Quebec, Manitoba, British Columbia, Yukon and Ontario. Dragicevic and Ditta, Community Benefits and Social Procurement Policies: A Jurisdictional Review. Mowat Centre, 2016.

²³ Including Cumberland, Qualicum Beach, and School District 85 on North Vancouver Island: Hachigian, Heather. Social Procurement: Mapping Existing and Potential Opportunities for Social Enterprise on Vancouver Island. Report prepared for Vancouver Island Social Innovation Zone and seCatalyst, July 2017 at 8. Prince George, BC is also working on developing local sources of supply for smaller contracts, and embedding sustainability factors into tenders for larger contracts.

²⁴ They have recently piloted this approach with a small contract for snow clearing and are building processes for social procurement in a range of categories, from professional services to the purchase of goods and construction. Interview with Sandra Hamilton, November 14, 2017.

²⁵ City of Toronto Social Procurement Program, <http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-91818.pdf>

²⁶<http://www.eveningtimes.co.uk/news/15627274.1bn-plan-for-10-000-affordable-homes-in-glasgow-unveiled/?ref=twtr>

²⁷ Similar provisions are being included in TCHC’s Lawrence Heights Revitalization Project, which is underway now

²⁸ In the U.K., large private sector employers are sometimes also considered anchor organizations.

²⁹ Interview with Wayne Chu, AnchorTO, October 27, 2017.

³⁰ O. Reg 588/17, Asset Management Planning for Municipal Infrastructure

³¹ City of Toronto Social Procurement Framework, April 9, 2013 at 3.

³²Including Purchasing and Materials Management (PMMD), Toronto Employment and Social Services (TESS), the Equity, Diversity & Human Rights Division (EDHRD), and Economic Development & Culture (EDC), in consultation with Legal Services.

³³ City of Toronto Social Procurement Program, April 4, 2016, online at <http://www.toronto.ca/legdocs/mmis/2016/ex/bgrd/backgroundfile-91818.pdf> accessed November 15 2017

³⁴ City of Vancouver Staff Report to Standing Committee on Policy and Strategic Priorities, November 30, 2016, re PARQ’s Annual Report Back to Council on the “Responsible Gaming Agreement” and “Inner-City Local Employment and Procurement Agreement” for the Vancouver Urban Resort at 39 Smithe Street

³⁵ A City staff report noted that “PARQ’s key achievements to date have set a national precedent... These commitments are setting a foundation for a citywide Community Benefit Agreement policy currently under development and a priority identified in the Healthy City Action Plan (2015-2018) and the forthcoming DTES Community Economic Development Strategy.” *Ibid.* at 2.

³⁶ Panel presentation from Jessica Breen, Project Manager, PARQ Vancouver

³⁷ Interview with Jeff Waters, Business Development Coordinator, EllisDon, 11/28/17

³⁸ The Interstate was a \$35M, four-year project; the Reservoir was a \$57M, four-year project.

³⁹ Information in this section is drawn from that evaluation by Framework LLC, CBA Pilot Evaluation, Final Report, May 9, 2016, available online at <https://www.portlandoregon.gov/omf/article/576077>

⁴⁰ Half of the funds were to go to community construction training, outreach and recruitment; 25% to a technical assistance fund; and 25% into a compliance monitoring fund. Ultimately, this was a commitment of just under \$770,000, which also covered administrative costs to manage these funds. The contractor spent an additional \$542,000 on related activities, including technical assistance from its staff and contractors, reporting and meeting attendance. Of this amount, just over half was attributed to its own employee wages and benefits.

⁴¹ Of those who entered pre-apprenticeship programs, 85% completed their training and 60% went on to enter a registered apprenticeship, but only six of those apprentices were actually employed on one of the two projects..

⁴² Or liquidated damages in the case of a failure to perform.

⁴³ Note that targets focused on employing a specific proportion of apprentices are constrained by apprenticeship ratios established by trades governing bodies.

⁴⁴ Source: Maria Figueroa, Jeff Grabelsky, Ryan Lamare, Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle-Class Careers, October 2011, Cornell University ILR School

⁴⁵ Redevelopment into the Oakland Global Trade and Logistics Center, including an intermodal rail terminal, bulk marine terminal, 2M square feet of warehouse space and a recycling centre. Source:

In the Public Interest, *Building America While Building Our Middle Class: Best Practices for P3 Infrastructure Projects* (2016) Public Interest and the Partnership for Working Families, online at <https://www.inthepublicinterest.org/building-america-while-building-our-middle-class/>

⁴⁶ Some challenges were encountered in defining “inner-city resident.” Eventually, the definition was expanded to include anyone who used local services.

⁴⁷ Tackling Poverty Through Public Procurement. Richard Macfarlane and Anthony Collins Solicitors. Pub. Joseph Rowntree Foundation. 2014 www.jrf.org.uk/publications/tackling-poverty-procurement.

⁴⁸ Data for Scotland drawn from Sutherland, V., McTier, A., Glass, A. & McGregor, A. (2015 June) Analysis of the Impact and Value of Community Benefit Clauses in Procurement: Final Report. Training & Employment Research Unit, University of Glasgow

⁴⁹ Metro Los Angeles, “Metro’s Project Labour Agreement and Construction Careers Policy

⁵⁰ Meeting two of the following nine categories: 1) homeless 2) single parent 3) receiving public assistance 4) lacking GED or high school diploma 5) criminal record or history of involvement with justice system 6) chronically unemployed 7) emancipated from foster care 8) veteran 9) apprentice with less than 15% hours needed to graduate to journey person

⁵¹ City of Vancouver Administrative Report: PARQ’s Annual Report Back to Council

⁵² Galle, A. Community Benefits Agreements. (2015) Atkinson Foundation/Mowat Centre

⁵³ See, e.g. a Vancouver study by Ernst & Young for Atira Property Management Inc.: Social Return on Investment of Hiring Target Employee Group Individuals, 1 April 2012 – 31 March 2013 Report (July 2013) which studied 109 targeted employees over the course of a year and found that for every dollar spent to employ these individuals, there was a \$3.32 SROI.

⁵⁴ West Harlem Community Benefits Agreement, May 18, 2009, ss. IV (E) and (F) Other provisions included marketing no less than 12,000 gross square feet (GSF) of small-format retail space on the project site to local entrepreneurs and existing local businesses, with priority given to those displaced by the project, on “reasonable economic terms”, and with a further 6000 GSF in later phases of the project; and providing advice about bonding requirements and allowing portions of a “benefits fund” to be used to underwrite bonding by small businesses.

⁵⁵ See <http://www.ceis.org.uk/>

⁵⁶ Information provided by Value Wales via email to the author, January 2016

⁵⁷ Community Benefits: Maximizing the Value of the Welsh Pound - 2014. The Welsh Government, <http://prp.gov.wales/docs/prp/toolkit/140815communitybenefitreportenglishwebupdated.pdf>

⁵⁸ Presentation by Denise Andrea Campbell to AMO Human Services Symposium, September 21, 2017

⁵⁹ Other suggestions include: creating a guide to educate small businesses before they attempt to work with large institutions; working with labour unions and specialized training programs to develop a pipeline for underrepresented communities, beyond programs at the high school level; and meeting with key local industry, corporate, government and institutional executives to identify projected workforce needs, the role of technology, organizations and programs that can help prepare and train the workforce for changing needs. Interise, *Minority, Women and Local Construction Trade Certificate/Mentorship Program Report*, September 2015 at 30 (Columbia University), available online at http://manhattanville.columbia.edu/sites/default/files/content/mwl_mentorship_program_1_program_report.pdf

⁶⁰ <https://news.ontario.ca/moi/en/2018/03/under-the-180-billioninvesting-in.html>

⁶¹ IJPA, S.O. 2015, C. 15, s. 1

⁶² IJPA, s. 3(13)

⁶³ <https://news.ontario.ca/moi/en/2017/11/long-term-infrastructure-plan-focused-on-building-ontario-up.html>

⁶⁴ See Ben Hanft, "Bringing Community Benefits to Toronto Neighbourhoods" (unpublished) 2 May 2016, available at <http://dinagraser.ca/wp-content/uploads/2017/05/Hanff-Ben-CBAs-Final.pdf>

⁶⁵ Infrastructure Ontario, for example, has a "local knowledge" criterion that effectively accomplishes this: <http://www.infrastructureontario.ca/AF-FAQs>

⁶⁶ United Way of Toronto and York Region, The Opportunity Equation, 2017 (figure 7)

⁶⁷ <https://1/news.ontario.ca/moi/en/2018/03/under-the-180-billioninvesting-in.html>

Bibliography

- Camacho, A. (2013). Community Benefits Agreements: A Symptom, not the Antidote, of Bilateral Land Use Regulation. *Brooklyn Law Review*, Vol. 78(2) 355-383.
- Canada Infrastructure. (2016). *Informing the Future: The Canadian Infrastructure Report Card*. Retrieved from canadainfrastructure.ca: <https://csce.ca/wp-content/uploads/2016/01/CIRP-2016-fullreport>.
- DeBarbieri, E. W. (2016). Do Community Benefits Agreements Benefit Communities? *Cardozo Law Review*, Vol 37: 1773-1825.
- Dragicevic, N. (2015). *Anchor Institutions*. Toronto: Mowat Centre.
- Graser, D. (2016). *Community Benefits and Tower Renewal*. Toronto: Evergreen.
- Graser, D. (2016). *Community Benefits in Practice and in Policy: Lessons from the United States and the United Kingdom*. Toronto: Atkinson Foundation.
- Graser, D. a. (2017). *Realizing Social and Economic Objectives through Infrastructure Planning and Investment*. Toronto: Evergreen.
- Gross, J. (2005). *Community Benefits Agreements: Making Development Projects Accountable*. Good Jobs First and the California Partnership for Working Families.
- Gross, J. (2008). Community Benefits Agreements: Definitions, Values, and Legal Enforceability. *Journal of Affordable Housing*, 35-38.
- MacFarlane, R. (2014). *Tackling Poverty Through Public Procurement*. London, UK: Joseph Rowntree Foundation.
- Mayor's Task Force on Social Enterprise and Social Procurement. (2017). *Good Jobs + Good Business = Better Community*. Victoria, BC: City of Victoria.
- Nugent, J. (2015). *Study of Lessons Learned and Best Practices of Community Benefits Agreements. Report #2: Comparative Analysis of CBAs*. Toronto: United Way of Greater Toronto and York Region.
- Peachey, K. (2009). *Building on Success: An Evaluation of the Community Benefits Agreement for the Vancouver Olympic Village Site*. Vancouver: Building Opportunities for Business Inner City Society.
- Province of Ontario. (2016, June 9). *Building together – Guide for municipal asset management plans*. Retrieved from [www.ontario.ca: https://www.ontario.ca/page/building-togetherguide-municipal-asset-management-plans#section-2](http://www.ontario.ca/page/building-togetherguide-municipal-asset-management-plans#section-2)
- Raffol, M. (2012). *Community Benefits Agreements in the Political Economy of Urban Development*. Retrieved from University of Chicago School of Social Service Administration - The Advocate's Forum: <http://ssa.uchicago.edu/community-benefits-agreements-political-economy-urban-development>

Salkin, P. &. (2008). *Understanding Community Benefits Agreements*. The Practical Real Estate Lawyer, The American Law Institute Continuing Legal Education Group.

Wolf-Powers, L. (2010). Community Benefits Agreements and Local Government: A Review of Recent Evidence. 7 *J. AM. PLAN. ASS'N*, 141.