



# COMMUNITY BENEFITS

**GROWING TREND IN PUBLIC  
SECTOR PROJECTS IN ONTARIO**



# COMMUNITY BENEFITS

The community benefits concept has gained increased attention as all levels of government across Canada have ear-marked significant funding over the next decade to repair and expand public infrastructure. Community benefits agreements and/or frameworks create an opportunity to enhance this investment to achieve additional social and economic benefits.

Understanding the scope and context of community benefits will help stakeholders in the unionized construction industry assess what role they can play in the community benefit arena. This report is a first step in starting a dialogue about community benefits with our labour and management stakeholders and to demystify this relatively new concept for achieving a broader public good through the construction of public and private sector projects.

# WHAT ARE COMMUNITY BENEFIT AGREEMENTS?

Community benefits can be 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.”** The term Social Procurement is used interchangeably with “community benefits” referring to the procurement or tendering aspects of these projects.

Based on a preliminary analysis of Community Benefits Agreement (CBA) projects across the province, we have identified 27 projects valued at over \$43 billion. Some of these projects are currently under construction, others are in active procurement while others still are in the prospective stage. A list of CBA projects we have identified is available at the end of this report.

Community benefits agreements frequently focus on three distinct types of benefits:

- Workforce Development - jobs and/or training opportunities, including apprenticeships, for members of traditionally disadvantaged communities, women and immigrants
- Purchasing of goods and services from local businesses or social enterprises
- Supplementary community benefits - community spaces, parkland, day cares and/or affordable housing.

The area of most relevance to the unionized construction industry revolves around benefits related to Workforce Development. The unionized construction industry plays a significant role in apprenticeship training. With approximately 100 training centres across the province and numerous programs aimed at attracting and training new workers to the skilled construction trades, the unionized sector is an optimal partner for projects affiliated with Community Benefits Agreements. These projects create opportunities to introduce new workers from disadvantaged communities, women and newcomers to Canada to careers in the skilled trades.

Frequently, the terms of the community benefits agreement are negotiated during the procurement process of the project in collaboration with owners and community groups. Hard targets and/or aspirational goals are identified. Accountability, tracking and monitoring are important components of the CBA to ensure targets are being met.

# WHO ARE THE PLAYERS?

## Federal Government | Bill C-344

The Government of Canada passed Bill C-344 in the House of Commons on June 13, 2018. Although the Senate did not pass Bill C-344, the Minister of Public Services and Procurement and Accessibility renewed the government's commitment to "modernizing its procurement system to ensure that it serves the goals of sustainable economic growth and growing the middle class." The Minister further instructed officials at Public Services and Procurement Canada to include community benefits as a component of the Better Buying plan. As noted in Minister Qualtrough's letter date August 21, 2019, a Request for Information will be issued by Public Services and Procurement Canada to solicit feedback from industry and community groups on the scope and implementation of community benefits requirements on contractors.

## Investing in Canada Plan: Infrastructure Canada Bilateral Agreements

The Investing in Canada Infrastructure Program (ICIP) is a \$30-billion, 10-year infrastructure program cost-shared between federal, provincial and municipal governments. Ontario's share per project will be up to 33.33 per cent or about \$10.2 billion spread across four streams: 1. Rural and Northern, 2. Public Transit, 3. Community, Culture and Recreation, 4. Green.

The Investing in Canada Infrastructure Program includes a commitment to "Community Employment Benefits". Ontario is required to report on community employment benefits provided to at least three federal target groups (apprentices - from traditionally disadvantaged communities, Indigenous peoples, women, persons with disabilities, veterans, youth, new Canadians, or small-medium-sized enterprises and social enterprises) for projects valued at greater than \$10 million.

## Infrastructure Ontario | Ministry of Infrastructure

In 2015, the Ontario government was the first Canadian jurisdiction to pass legislation to enable the inclusion of community benefits in infrastructure investment. ***The Infrastructure for Jobs and Prosperity Act (IJPA)*** specifies 13 principles that "shall" be considered by the province and the broader public sector, including municipalities, when planning and investing in infrastructure.

*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. (IIPA, Section 3-13)*

The Act further requires that bidders entering into a procurement process on provincial infrastructure projects must provide a plan for the intended use of apprentices on the projects should they be the successful bidder.

In November 2017, the Ontario government set out a vision for Ontario's infrastructure planning and investment in its ***Building Better Lives: Ontario's Long-Term Infrastructure Plan (LTIP)***. This Plan outlined the government's goal to link infrastructure investment to social initiatives including community benefits and apprenticeships.

The following five pilot projects were announced in the 2017 Budget.

1. Finch West LRT (Awarded – Mosaic Transit Group)
2. West Park Healthcare Centre (Awarded – EllisDon Infrastructure Healthcare)
3. Macdonald Block Reconstruction (Awarded – Fengate PCL Progress Partners)
4. Halton Region Consolidated Courthouse (Active Procurement)
5. Thunder Bay Correctional Complex (Active Procurement)

The current Progressive Conservative government has not officially released its position on community benefits, but has continued with the above pilot projects. Community benefit agreements have been applied to the Finch West LRT and the West Park Healthcare project. At this time, it is uncertain what form community benefits will play in the other three projects.

However, in correspondence with the Ministry of Infrastructure, it was noted "With the exception of the Eglinton Crosstown LRT, which predates the pilot projects, there are no additional provincial infrastructure projects with a community benefits component. However, following the collection of information and consideration of any learnings from the pilot projects, the Government will determine next steps."

On September 10, 2019, Hon. Laurie Scott and Infrastructure Ontario announced the 2019 P3 Market Update with 32 projects valued at \$65 billion.

## Municipalities | City of Toronto

In April 2018, Toronto City Council approved the first community benefits agreement for the \$1 billion [Rexdale Casino Woodbine](#) expansion. This CBA includes requirements related to employment (40% of new hires will be through local and social hiring); a goal of 10% of construction hours for apprentices; 10% local and social procurement; a child care centre; and 50% of total employees to have full-time jobs.

Earlier this year, the City of Toronto adopted a Community Benefits Framework (also referred to as a [Social Procurement Program](#)) which will set out targets and outcome indicators for community benefits in three broad scenarios:

- Procurement
- Unique Opportunities
- Voluntary Agreements

Setting hard targets is not a one-size fits all approach across all projects. The City acknowledges the needs for a measured and coordinated approach to developing hard targets within and across projects. Examples of previous CBA requirement language in City of Toronto contracts include:

- Customized recruitment specifying the number of hires
- Training and work-based learning
- Registered apprentices as % of total construction hours
- Job fairs

The Community Benefits Framework is intended to leverage the City's \$2 Billion annual procurement spend. To date, 49 large-scale City projects have been selected to include hard targets. As of July 2019, 26 projects had been awarded. The Social Procurement Program applies the following criteria to determine suitable projects for community benefits:

- Total project value exceeds \$5 million
- Project length is greater than two years
- Demonstrates the potential to generate desired employment-related opportunities

The City of Toronto is developing a web-based tool to inform stakeholders of the Social Procurement Policy and to list identified CBA projects. This online resource is anticipated to be available by the end of 2019.

## Municipalities | City of Windsor

The [Gordie Howe International Bridge](#) is a \$5.7 billion project that will deliver much-needed transportation improvements between Windsor and Detroit. It will also enhance the economic, social and environmental fabric of the local communities.

The Community Benefits Plan includes a workforce development and participation strategy that is geared at supporting training, pre-apprenticeship and apprenticeship opportunities. Sub-contractors will be required to hire at least 20% of new hires from host communities and the Windsor-Essex Region for construction and permanent jobs. A variety of initiatives are identified to aid in this strategy including partnering with apprenticeship organizations and local unions to arrange training and mentorship. Other components of this strategy include engaging and employing Canadian Indigenous Peoples.

Although the City of Windsor has not formally entertained the adoption of a community benefits framework, there are several other projects currently identified by the [Windsor/Essex Community Benefits Coalition](#) as having potential for community benefits.

- Ambassador Bridge
- Windsor Regional Hospital (Infrastructure Ontario project)
- Windsor Arena/Glengarry Community Centre
- Former Grace Hospital site

## Municipalities | City of Ottawa

Similar to Windsor, the City of Ottawa has not adopted a formal Community Benefits Framework. However, community groups are active in identifying CBA opportunities on key projects. Two projects are currently receiving attention for Community Benefits:

- **HERON GATE**

A proposal from Timbercreek envisions a 20 – 25 year plan for this 20 hectare property with a mix of rentals and condos including townhouses, low-rise, medium-rise and a 40 storey high-rise building. Residents of the area have presented Timbercreek with a “social contract” and are hoping to secure a legally binding Community Benefit Agreement. If successful this would be a first for Ottawa. A local Councillor and Timbercreek have already identified five promises that will shape how the site will develop over the next two decades and Timbercreek has stated it has no problem signing a legally binding version of the agreement

- **LeBRETON FLATS**

The National Capital Commission (NCC) is working to develop a renewed vision and master concept plan for this 24 hectare site. Community members are actively seeking a CBA for LeBreton Flats to ensure development offers a range of housing; economic development initiatives for local enterprises and businesses; targets for local hiring and recruitment; community and environmental assets; and various environmental goals.

## Other Municipalities

Kitchener, Ontario is piloting a model to weigh and prioritize social, environmental and community benefits through Asset Management Planning (AMP). It is also considering how to embed community benefits into operations and their corporate asset management policy (Graser and Leanage, 2016).

Community groups in both the City of Hamilton and **Halton Region** have organized Community Benefit Networks to ensure benefits are included on major infrastructure projects including the Hamilton LRT. The **Hamilton Community Benefits Network** has outlined the role of CBAs and recommended that the City of Hamilton develop a formal municipal-level CBA policy.

In May 2018, the Human Services Planning Board of York Region received a research report on Community Benefits Approaches to leverage investments on infrastructure and development projects, or goods and services to provide physical, social and economic benefits to the local community. In 2019, a [Community Benefits Toolkit](#) was developed for York Region.

Community groups in Peel Region have formed [The Peel Community Benefits Network](#) to work with Metrolinx during the construction of the Hurontario LRT. This project was awarded to Mobilinx.

## Metrolinx

A [Community Benefits](#) program was adopted by the Metrolinx Board of Directors in 2013. Metrolinx has committed to community benefits for the Toronto LRT projects, the Hurontario and Hamilton LRT projects and GO Expansion. The Eglinton Crosstown was the first project where Metrolinx, the [Toronto Community Benefits Network](#) and the United Way negotiated a CBA.

For all LRT projects, the constructor signs an Apprenticeship Declaration and submits Community Benefit Plans for review and approval by Metrolinx and Infrastructure Ontario. The scope of community benefits on these projects include: employment, training and apprenticeship opportunities for historically disadvantaged communities and equity seeking groups and the provision of goods and services from local suppliers and social enterprises.

## Non-Profit Organizations | Toronto Community Housing Corporation

The Toronto Community Housing Corporation (TCHC) first used community benefits in 2010 with the revitalization of Regent Park. TCHC partnered with the Daniels Corporation to transform a low-income social housing development into a mixed-use community combining affordable housing with market condominiums, commercial and retail, community and cultural facilities and parks. In addition to community consultation, the CBA realized construction jobs and training, and employment opportunities with retail tenants.

Following Regent Park, TCHC made a corporate decision to include community benefits and engagement processes in all of their projects. Major RFPs now include provisions for community benefits which require that bidders provide:

- workforce development opportunities (including 10 percent direct employment to TCHC residents)
- scholarships, mentorships, apprenticeships and training opportunities to link the needs of the local labour market with tenant skills development
- local economic development programs, including small business development support
- community engagement strategy

Bidders are evaluated, and the top three pass to the next stages, which include making a presentation to the community regarding their project vision, community engagement strategy and economic development programs. The community rates these presentations and their rankings are included as part of the evaluation that ultimately determines those with whom TCHC will open negotiations. *(Dina Graser, Based on November 2012 RFP #01/12 for Lawrence Heights)*

TCHC has a Building Capital Repair and Renewal budget of just over \$3 billion for the period 2018 – 2027. The agency's 2019 budget for Development Capital is \$109.5 million of which the largest projects are: Allenbury Gardens, Lawrence Heights, Leslie Nymark and Regent Park Phase 3.

## Non-Profit Organizations | Anchor T0

A group of 18 anchor institutions from across Toronto have been meeting since 2015 have committed to using their current and planned procurements (totalling \$17 billion) to generate positive socio-economic outcomes.



# A ROLE FOR THE UNIONIZED CONSTRUCTION INDUSTRY

Unions have a long-standing commitment to the protection and advancement of the interests of working people. In Ontario's unionized construction industry, this commitment is realized everyday through the delivery of numerous training programs for non-traditional populations: youth-at-risk, older workers, women, new Canadians, visible minorities and Indigenous Peoples. Enhancing the diversity within organizations creates an environment of involvement, respect, and connection.

According to BuildForce, Ontario's construction industry will need to hire, train and retain over 103,000 additional workers over the next decade as the industry grapples with the retirement of 20% (91,000 workers) of its workforce. During this same time period, significant public sector infrastructure projects are being funded thereby creating opportunities to develop the next generation of highly skilled construction workers. Many unionized construction stakeholders are already delivering programs to attract, train and mentor this new workforce. Community benefits agreements are a new tool for collaboration amongst construction unions, contractors, public sector entities and social service agencies to help attract and train non-traditional populations to careers in Ontario's construction industry.

Numerous unions and joint union/employer training centres are already engaging with local area Community Benefits Networks to ensure this new workforce receives the proper health & safety and apprenticeship training to launch their careers. Participating in community benefits initiatives will aid Ontario's unionized construction industry in the ongoing development of a diverse and highly skilled workforce.

# INVENTORY OF CONSTRUCTION PROJECTS WITH COMMUNITY BENEFITS AGREEMENTS

[as of September 2019]

Region/City	Project Name	Project Value	Status
Greater Toronto	GO Expansion: ONCorr	\$10,000,000,000	In Procurement
Windsor	Gordie Howe International Bridge	\$5,700,000,000	Active
Toronto	Eglinton Crosstown LRT	\$5,300,000,000	Active
Toronto	Toronto Community Housing Corporation	\$3,200,000,000	Active & Planned
Toronto	Finch West LRT	\$2,500,000,000	Active
Toronto	City of Toronto Projects	\$2,000,000,000	Various
Peel	Hurontario LRT	\$2,000,000,000	Awarded
Windsor	Windsor Regional Hospital	\$2,000,000,000	Pre-Procurement
Toronto	Macdonald Block Reconstruction	\$1,536,000,000	Awarded
Toronto	West Park Healthcare	\$1,200,000,000	Active
Greater Toronto	GO Expansion: Lakeshore West Corridor	\$1,000,000,000	In Procurement
Hamilton	Hamilton LRT	\$1,000,000,000	In Procurement
Toronto	Casino Woodbine at Rexdale	\$1,000,000,000	Active
Windsor	Ambassador Bridge	\$1,000,000,000	Prospective
Ottawa	Heron Gate	\$1,000,000,000	Prospective
Halton	Halton Region Consolidated Courthouse	\$500,000,000	In Procurement
Thunder Bay	Thunder Bay Correctional Complex	\$500,000,000	In Procurement
Toronto	GO Expansion: Union Station Upgrade/Platform Expansion	\$499,000,000	Pre-Procurement
Greater Toronto	GO Expansion: Lakeshore East, Central Corridor	\$499,000,000	In Procurement
Greater Toronto	GO Expansion: Lakeshore East, West Corridor	\$499,000,000	In Procurement
Windsor	Grace Hospital Site Redevelopment (Hotel Dieu Proposal)	\$250,000,000	Prospective
Greater Toronto	GO Expansion: Milton Corridor Upgrades	\$199,000,000	In Procurement
Toronto	Dufferin Mall	\$40,000,000	Prospective
Toronto	Parkdale-UHN Lakeside Long Term Care Centre Expansion	\$23,000,000	Prospective
Toronto	Sheppard East LRT/Subway Extension	N/A	Prospective
Windsor	Glengarry Community Centre	N/A	Prospective
Ottawa	LeBreton Flats	N/A	Prospective
<b>TOTAL VALUE CBA PROJECTS</b>		<b>\$43,445,000,000</b>	

