

ATTACHMENT 1: SUMMARY OF FINDINGS FROM BACKGROUND RESEARCH

Jurisdictional review

The Jurisdictional review of tax increment financing programs and community benefits included neighbouring municipalities in Ontario (Hamilton, Vaughan, Niagara Region, Mississauga), as well as select American jurisdictions (New York City, Chicago, San Francisco).

Relevant provincial legislation was reviewed in the context of opportunities in building construction, and employment standards.

While there are several comparable tax incentive programs to IMIT in neighbouring jurisdictions in Ontario, programs generally address local employment/job creation as an eligibility criteria for the grant. This occurs geographically through identifying eligible areas facing low economic/employment levels, or through number of jobs created/retained as part of the application, as opposed to an ongoing activity-based requirement.

Niagara Region's Tax Increment Based Grant (TIBG) Program determines eligibility and grant amounts through a points-based evaluation system which assesses economic and environmental design performance, including jobs created and/or retained. Grant amounts are determined based on the point score of the application. While the system requires an annual audit to determine if the applicant has met their objectives as outlined in the application/agreement, there is no requirement for ongoing participation in hiring/training activities.

The City of Chicago seeks to ensure local hiring, training and social procurement benefits from Tax Increment Financing developments by including similar language to the City of Toronto requiring participation with City-backed programs for employment, training and social procurement. As part of the application process companies are required to submit estimates of jobs including skills and start dates, trades schedules, budget allocations to social procurement, and signed letters confirming intention to partner with specific City-endorsed programs.

The legislative environment for employment and labour has undergone a number of recent changes. Bill 148, which introduced worker-friendly changes to the *Employment Standards Act* had many elements subsequently repealed in 2018 by the Provincial government through Bill 47, *Making Ontario Open for Business Act*. Further changes to employment standards have been adopted through Bill 66, *Restoring Ontario's Competitiveness Act*. Bill 47 also included an amendment to the *Ontario College of Trades and Apprenticeship Act, 2009*. A new section provides that the journeyman to apprentice ratio for all trades that are subject to ratios shall not exceed one apprentice for each journeyman. This new ratio implies that there may be a greater number of apprenticeship opportunities available.

Community benefits agreements and social procurement

Community benefit agreements and social procurement are levers for promoting more widespread economic and social benefit from infrastructure development, and have been gaining global momentum since their introduction in the last two decades. Community benefits outcomes typically fall into one of five categories: workforce development (jobs and training), supply chain diversity (business opportunities for suppliers owned by members of equity-deserving groups), affordable housing, community assets and public realm, and environmental.

The City of Toronto has made significant progress in promoting community benefits, and City staff are currently developing a Community Benefits Framework for City Council consideration later this year. The framework draws on experience from several programs and policies including: The Social Procurement Policy, and Rexdale – Casino Woodbine Community Benefits Agreement (CBA).

The Community Benefits Framework is considering a centralized model to lead, convene and coordinate the implementation of consistent approaches across City of Toronto divisions, agencies and corporations when it comes to community benefits initiatives. The Community Benefits Framework will address local employment and training opportunities and develop processes and tools to customize activities and targets. The Framework may be a resource to the IMIT program for the Local Employment Requirement.

Construction and building maintenance industries

There are several underrepresented groups in the construction industry which could be targeted for training and recruitment to address the labour shortage while diversifying the workforce. This includes youth, women, First Nations, Metis and Inuit peoples, Black and racialized people, and newcomers. These groups face various barriers to accessing training and recruitment as well as retention issues. The issues are detailed below: (*Buildforce 2017, Construction and Maintenance Workforce Challenges*)

- An aging workforce is a challenge for the construction and maintenance industry across the country, with an estimated 250,000 skilled tradespeople expected to retire over the next 10 years and a total of 332,000 could retire from the industry as a whole. Attracting youth into the industry is a high priority.
- Women remain a highly underrepresented group in the construction industry, despite industry inclusion efforts. Although the aggregate number of women working in the industry has increased, the proportion of women in the construction trades workforce (i.e. on-site) has remained at estimated at 4–5 per cent.
- The Indigenous population is the fastest growing population group in Canada, and approximately 50 percent are below the age of 25. The construction industry is the third largest employer of indigenous workers, which represents an opportunity to intensify recruitment and pre-employment training for indigenous youth.

- Finally, with domestically trained new entrants into the construction industry projected to meet only 50 percent of the industry's need for new skilled tradespersons, the construction and maintenance sector will need to continue to rely on integrating newcomers into this sector to meet workforce demands.

While the contractor community in Ontario has experienced negative impacts due to the labour shortage, they are considering a range of solutions including deploying workers more efficiently, using new technologies, hiring more apprentices, and raising wages. (Ontario Construction Secretariat 2019).

Precarious work

Also identified in the consultations were issues involved with precarious work. These are more fully explored in Attachment 3.