

REPORT FOR ACTION**Advancing the Community Benefits Framework**

Date: January 13, 2021

To: Executive Committee

From: Executive Director, Social Development, Finance and Administration

Wards: All

SUMMARY

When the Community Benefits Framework was adopted in 2019, it signaled the City of Toronto's commitment to maximizing the use of City levers to create social and economic impact through community benefits initiatives. A number of key factors have led to high demand and expectations for community benefits in Toronto today. Major public infrastructure investments across Canadian provinces and municipalities, the looming shortage of skilled trade workers in construction, and the establishment of high-profile precedent-setting community benefits agreements, including those that directly involve the City such as Rexdale - Casino Woodbine, and those led by external partners such as Metrolinx's Eglinton Crosstown, are all contributing factors.

Additionally, the disproportionate impacts of COVID-19 and the emphasized need for a recovery and rebuild strategy that prioritizes Indigenous, Black and equity-seeking communities, have highlighted the importance for community benefits initiatives to maximize municipal levers to create inclusive economic opportunities.

The City of Toronto currently has four established and active community benefits initiatives: Social Procurement Policy and Program, Housing Now Initiative, Rexdale - Casino Woodbine Community Benefits Agreement, and Imagination, Manufacturing, Innovation and Technology Program. In addition to these four initiatives, there are at least ten new community benefits initiatives that are currently being reviewed across City divisions and corporations. Six of the new initiatives are directed by City Council to include community benefits.

This report responds to direction from Toronto City Council in 2019 to report back with recommendations and an indication of required resources to move the Community Benefits Framework forward.

Implementing community benefits is complex and resource intensive. Given the high demand and significant potential of community benefits initiatives, it is now necessary to dedicate greater staff resources in order to address the challenges and maximize the opportunity. The report outlines the key areas of work that will be prioritized, specifically the development of:

- Coordinated systems approaches to local and social hiring pathways that connect employers, job seekers, employment agencies, training programs, unions, and community partners¹;
- Monitoring and evaluation framework that guides disaggregated data collection and analysis on common outcomes, outputs and socio-economic impacts to be tracked across all community benefits initiatives; and
- Community benefits implementation “How To” protocols and processes to guide the City of Toronto and its stakeholders.

Additionally, the report highlights the broader systems and policy issues that will be addressed in the next phase of work, including: better defining equity-seeking populations, establishing processes to set hard targets, developing mechanisms to expand the pool of diverse and local suppliers, and strengthening engagement with employers and industry leaders to forecast opportunities.

While there is tremendous enthusiasm for the pursuit of ambitious community benefits at the City of Toronto, the work of achieving and reporting on those community benefits has only just begun. Investment of time and resources are required to enable the City to maximize the potential of community benefits as part of inclusive economic recovery and growth.

RECOMMENDATIONS

The Executive Director, Social Development, Finance and Administration recommends that:

1. City Council direct the Executive Director, Social Development, Finance and Administration, in collaboration with the General Manager, Toronto Employment and Social Services, General Manager, Economic Development and Culture, and Chief Purchasing Officer, to report to the **Economic and Community Development Committee** in the third quarter of 2022 with a Progress Update on the design and pilot testing of the Community Benefits Framework implementation models, as well as a proposed approach to prioritize community benefits projects and initiatives to be supported and implemented by the Community Benefits Framework.

FINANCIAL IMPACT

The 2021 Recommended Operating Budget for Social Development, Finance and Administration Division includes funding for Community Benefits Framework (a three-year program) with funding of \$0.582 million gross and net in 2021. The new investment will provide funding for the staff resources (6 temporary positions starting in April 2021 and ending in December 2023) to begin the design, prototype and pilot testing of back-end infrastructure that will strengthen existing, and build new relationships, with key stakeholders, coordinate workforce development partners and sector-based experts and

¹ See Attachment 3 for overview of hiring pathways for construction jobs and professional, administrative and technical jobs

ultimately, create the conditions for Indigenous, Black and equity-seeking communities to gain access to employment and economic opportunities.

The Chief Financial Officer and Treasurer have been advised of the financial impacts associated with this program to be considered along with other priorities in the 2021 and future year budget processes.

EQUITY IMPACT STATEMENT

Community benefits initiatives aim to create inclusive workforce development and other economic opportunities for Indigenous, Black and equity-seeking communities including women, persons with low income, immigrants, refugees, 2SLGBTQ, persons with disabilities, racialized communities, and vulnerable youth. Opportunities created through community benefits initiatives include local and social hiring for training and employment, and social procurement for local businesses and diverse suppliers.

An intersectional analysis reveals that Indigenous, Black and equity-seeking communities including women, racialized communities, and vulnerable youth, face unique systemic barriers to entering and retaining employment in specific employment sectors, such as the skilled trades and construction sector. The Community Benefits Framework aims to address systemic barriers and identify lasting solutions that will increase access to well-paid, quality job opportunities in construction and other sectors for people from Indigenous, Black and equity-seeking communities.

DECISION HISTORY

October 27, 2020 - [Improving the Imagination, Manufacturing, Innovation and Technology Local Employment Requirement - Extension of Pilot Program](#)

City Council received the report with agreement to extend the time period for pilot testing a points-based system to assist recipients of the Imagination, Manufacturing, Innovation and Technology incentive program in meeting the Local Employment Requirement of the program. Staff will report back to City Council in Q4 2022.

December 11, 2019 - [EX11.12 Progress on the Rexdale - Casino Woodbine Community Benefits Agreement - 2019 Update](#)

Executive Committee received the report for information which stated the requirements and associated targets in the Rexdale – Casino Woodbine Community Benefits Agreement were on track to being met at the end of 2019.

November 26, 2019 - [EX10.1 Toronto Poverty Reduction Strategy - 2019-2022 Action Plan](#)

City Council adopted the 2019-2022 Poverty Reduction Strategy Term Action Plan, which includes the Indigenous Prosperity Plan. The Community Benefits Framework is a key ongoing initiative that aligns with poverty reduction objectives including inclusive economic development, quality jobs and livable incomes, and housing stability.

July 16, 2019 – EC6.15 [Community Benefits Framework](#)

July 16, 2019 – EC6.15a Supplementary Report – Community Benefits Framework and Hard Targets

City Council adopted the Community Benefits Framework, which establishes how the City of Toronto will coordinate and maximize the social and economic impact of its community benefits initiatives.

June 18, 2019 - MM8.51 [Expanding Recognition in Toronto's Industrial Commercial Institution Sector - by Councillor Ana Bailão, seconded by Councillor Michael Thompson.](#)

City Council adopted the member's motion to direct City staff to enter into negotiations for a Voluntary Recognition Agreement with the Laborer's International Union of North America in principle, with a number of terms and conditions.

June 18, 2019 - EX6.3 Schedule 9, [Changes to the Labour Relations Act, 1995 - Restoring Ontario's Competitiveness Act, 2019](#)

City Council decided to opt out of the application of section 127(1) to (4) of Schedule 9 of Bill 66, and directed staff to file an election with the Minister of Labour in writing by the July 2, 2019 deadline, thereby confirming City of Toronto remains a construction employer.

January 30, 2019 - EX 1.1 [Implementing the "Housing Now" Initiative](#)

City Council approved an action plan, resources and program requirements for the Housing Now initiative. Recommendations included a request to staff to identify and incorporate measureable community benefits opportunities as part of the market offering process.

April 24, 2018 – EX33.2 [Expanded Gaming at Woodbine Racetrack – City Conditions](#)

City Council authorized a Community Benefits Agreement with One Toronto Gaming that contained a range of social and economic community benefits for the Rexdale community, including 40% local or social hiring, 50% full-time employment, 10% of construction hours through local or social hiring, 10% annual procurement through local or diverse suppliers, \$5 million towards construction of a child care centre, and one large-scale event per month for community use in the entertainment venue.

April 4, 2016 – EX14.8 [City of Toronto Social Procurement Program](#)

City Council adopted the City of Toronto Social Procurement Program which implemented a new purchasing policy that authorizes staff to embed supply chain diversity and workforce development in City procurement. The Social Procurement Program also included the development of tools, guides and support systems to engage in social procurement.

COMMENTS

Background

In the span of five years (2015 to 2019), the City of Toronto adopted a cluster of policies and initiatives that aim to advance inclusive economic development. They included: Poverty Reduction Strategy (2015), Social Procurement Policy (2016), Toronto Action Plan to Confront Anti-Black Racism (2017), Rexdale – Casino Woodbine Community Benefits Agreement (2018), Housing Now Initiative (2019), Imagination, Manufacturing,

Innovation and Technology Program (New Pilot) (2019), and Community Benefits Framework (2019).

The Community Benefits Framework aims to maximize the use of City of Toronto levers (such as procurement, real estate transactions, and financial incentives for specific sectors and uses) to create inclusive social and economic development opportunities. The Framework is intended to provide guidance, support and coordination across different City Divisions, Agencies, and Corporations to develop and implement community benefits in their respective programs.

Currently, the Community Benefits Framework is at the development and testing stage. The City has now reached the point at which there is a need to develop back-end infrastructure—coordinated systems approach to local and social hiring, disaggregated data tracking and reporting processes, and "how to" protocols—to guide the implementation of the City's current and future community benefits initiatives.

At the City of Toronto, the term "community benefits" is used in a variety of ways, which can cause confusion. For many years, "community benefits" facilities and amenities (such as parks, recreation centres, childcare centres) have been secured through the Planning Act². The Community Benefits Framework does not change or alter the community benefits as defined and secured through the Planning Act or any other Provincial or Federal regulations. Rather, the Community Benefits Framework focuses on supplementary community benefits that produce social and economic development opportunities that are inclusive and equitable (such as workforce development and social procurement) and that can be enforced through existing municipal authority or levers.

A number of factors have contributed to the recent rise in public and political interest in community benefits.

- Government and public sector institutions across Canada are making major public infrastructure investments and this will continue in the next decade³. Estimated at half a trillion dollars, this investment value has not been seen since the 1960s and 1970s⁴.
- High profile community benefits examples, including those led by external partners such as Eglinton Crosstown⁵ and those that directly involve the City such as the Rexdale - Casino Woodbine Community Benefits Agreement⁶, have raised community expectations and community advocacy efforts.

² City of Toronto (2020). [Bill 108: Changes to Ontario's Planning System](#).

³ For example, federal funding for large scale infrastructure projects increasingly includes requirements to report on Community Employment Benefits. E.g. Under the federal Investing in Canada Infrastructure Program (ICIP), funding recipients (i.e. City of Toronto) are required to report on community employment benefits provided to federal target groups for projects over \$10 million.

⁴ Institute of Fiscal Studies and Democracy (2017). [Community Benefits Agreements: Empowering Communities to Maximize Returns on Public Infrastructure Investments](#). A report written by Armine Yalnizyan.

⁵ [Metrolinx Eglinton Crosstown Community](#)

⁶ [City of Toronto. Rexdale - Casino Woodbine Community Benefits Agreement](#)

- Looming shortage of skilled trade workers in the construction industry. Ontario construction industry will need to hire, train and retain more than 103,000 additional workers over the next decade as the industry expects 20% of its workforce, or 91,000 workers, to retire⁷.
- COVID-19 inclusive economic recovery plans require municipal tools to leverage the creation of economic development, one of the most obvious of which are community benefits initiatives.

COVID-19: Community Benefits as part of Inclusive Economic Recovery

Before the onset of the coronavirus disease (COVID-19) pandemic, community benefits initiatives were seen as important ways to maximize municipal levers to achieve inclusive economic development. Now, there is heightened attention on community benefits initiatives to connect inclusive COVID-19 economic recovery objectives with opportunities for Indigenous, Black, and equity-seeking communities including racialized populations and low-income communities, who are disproportionately at risk of experiencing the negative effects of COVID-19.

Toronto Public Health notes that individual risk of illness is linked to how and where one lives, works, plays, and is also influenced by access to the social determinants of health. There is also growing evidence that racialized populations and low income communities are at greater risk of becoming infected with, hospitalized for and dying from COVID-19⁸. A number of possible factors are to be considered, including: existing health disparities linked to social and economic factors, stress caused by racism and other forms of discrimination, difficulties in limiting COVID-19 exposure because of being an essential worker, difficulties in physical distancing because of overcrowding, and inequitable access to health care and social services⁹.

It is widely recognized that COVID-19 pandemic recovery plans need to place Indigenous, Black, and equity-seeking communities at the forefront of economic recovery efforts¹⁰ and be designed to address the social determinants of health.

Getting It Right: Staff Resources and Time Needed

It has been one year since the Community Benefits Framework was adopted by City Council. In that year, at least three culminating factors have escalated the urgent need for additional staff resources and time to develop the back-end infrastructure to support implementation of community benefits.

First, the COVID-19 pandemic has heightened attention on community benefits initiatives to connect COVID-19 economic recovery objectives with opportunities for Indigenous, Black, and equity-seeking communities. More than ever, community benefits initiatives are seen as important ways to maximize municipal levers to achieve economic development that is inclusive and equitable.

⁷ Ontario Construction Secretariat (2019). [Community Benefits: Growing Trend in Public Sector Projects in Ontario](#)

⁸ Toronto Public Health (2020). [COVID-19 and the Social Determinants of Health: What do we know?](#)

⁹ City of Toronto. [Toronto Public Health. COVID-19: Status of Cases in Toronto.](#)

¹⁰ Mowat, D. and Rafi, S. (2020). [COVID-19: Impacts and Opportunities. Report by Toronto Office of Rebuild and Recovery.](#) In 2020, Toronto Community Benefits Network led the [Inclusive Recovery](#) campaign

Secondly, as demand and opportunities for community benefits at the City of Toronto grows at a fast pace, the current approach to supporting the implementation of City community benefits initiatives "within existing staff resources" is no longer sustainable. The Community Benefits Framework is comprised of one full-time equivalent staff resource, who has been convening and coordinating an interdivisional staff working group to support the City's community benefits initiatives.

Within a three year period (2017 - 2020), the number of contracts that contain community benefits requirements rose to more than 120 contracts (currently active or upcoming contracts, across four of the City's established community benefits initiatives).

- Social Procurement Program currently has selected more than 50 contracts that include workforce development and supply chain diversity requirements.
- Housing Now Initiative Phase One and Two will see 17 affordable housing developments expected to be released to market by 2022, and each successful proponent will be required to develop a Community Benefits Plan that contains hard targets for hiring and social procurement opportunities.
- Imagination, Manufacturing, Innovation and Technology Program has 55 property-tax rebate recipients in 2020 and each agreement contains a local employment requirement.
- Rexdale – Casino Woodbine Community Benefits Agreement contains a wide range of community benefits requirements to be delivered by One Toronto Gaming.
- In addition to these four initiatives, there are at least ten new community benefits initiatives that are currently being reviewed across City divisions and corporations. Six of the new initiatives are directed by City Council to include community benefits.

Feedback from contract signatory employers and community partners has demonstrated a willingness to collaborate and partner with the City of Toronto to achieve community benefits goals and objectives. However, they require the City to provide leadership and dedicated resources to develop back-end infrastructure to guide implementation.

Third, decisions by the province on the delivery of employment services and supports to people on social assistance are impacting the inter-divisional partnership model, which has historically placed Toronto Employment and Social Services as the workforce development lead for the City. Specifically, the province is moving forward to upload employment services system management for social assistance to the provincial Employment Ontario program. This change will transfer responsibility and funding for employment supports from Toronto Employment and Social Services to the province. As a result, Toronto Employment and Social Services has begun to more closely align resources and services with its mandate to focus support on recipients of Ontario Works and to be best positioned to transition from employment services and supports to life stabilization activities over the next two to three years.

As this transition continues, Toronto Employment and Social Services' capacity to support City of Toronto-wide workforce development initiatives will diminish. Given the significant emphasis on workforce development opportunities in all community benefits

initiatives, the need for new staff resources and time to develop local and social hiring pathways, and lead systems coordination (with employers, training programs, employment agencies, unions, and community partners) is urgent and critical.

In summary, the Community Benefits Framework has now reached a point at which the most significant challenge is the absence of, and need to develop, back-end infrastructure to implement community benefits initiatives to build on the successful launch, and maximize the potential outcomes. Staff resources and time are needed to develop the back-end infrastructure and lead the challenging and significant change management undertaking¹¹. Specifically:

- Coordinated systems approaches to local and social hiring pathways that connect employers, job seekers, employment agencies, training programs, unions, and community partners¹².
- Monitoring and evaluation framework that guides disaggregated data collection and analysis on common outcomes, outputs and socio-economic impacts to be tracked across all community benefits initiatives.
- Community benefits implementation “How to” protocols and processes for key stakeholders.

Resources and time are also needed to address broader system and policy issues, such as better defining equity-seeking populations, processes to set hard targets, mechanisms to expand the pool of diverse and local suppliers, and engagement with employers and industry leaders to forecast hiring opportunities.

There is also a need to increase the staff resource capacity of the City's Social Procurement Program.

Key Challenges with Community Benefits Implementation

Implementing community benefits is complex and resource intensive. Table 1 describes some recurrent themes of key challenges that can be addressed through the development of back-end infrastructure to support the implementation of community benefits initiatives.

Table 1. Summary of Key Challenges with Community Benefits Implementation

Theme	Key Challenges with Community Benefits Implementation
Recruitment	<ul style="list-style-type: none"> • City of Toronto's limited ability to support recruitment, in particular for people who are not on social assistance. • Limited effectiveness of customised recruitment approaches in reaching diverse candidates and those furthest from the labour market for employment opportunities through community benefits.

¹¹ Dragicevic, N. and Ditta, S. (2016). [Community Benefits and Social Procurement Policies: A Jurisdictional Review](#).

¹² See Attachment 3 for overview of hiring pathways for construction jobs and professional, administrative and technical jobs

Theme	Key Challenges with Community Benefits Implementation
	<ul style="list-style-type: none"> Limited capacity to tailor job opportunities and recruitment strategies to be more accessible to Indigenous, Black, and equity-seeking communities, while balancing employer needs. Lack of capacity to coordinate and sustain the level of wraparound supports needed to ensure that candidates are successful in securing and retaining employment. Lack of appropriate guidelines, processes and tools to support employers and community partners.
Skilled Trade Union Dispatch Process	<ul style="list-style-type: none"> Limited success in establishing the Construction Connections program, which aimed to provide an alternate and reliable source of ready-to-work unionized labour to participate in community benefits projects. Unions have stated they do not collect equity indicators outside of gender, thereby limiting the ability for unions to identify "equity hires" for dispatch in a systematic way at this time.¹³
Tracking and Monitoring Compliance	<ul style="list-style-type: none"> Lack of tracking and monitoring tools for documenting, validating and reporting on community benefits hiring, social procurement, and any other community benefits outcomes¹⁴. Limited baseline disaggregated data on local or social hires, and local or diverse suppliers in key industries and areas. Inadequate research and policy staff to develop necessary tools and provide continuous implementation support (E.g. guidelines, alignment of definitions, socio-demographic indicators, assessing intensity of need).
System Coordination	<ul style="list-style-type: none"> Fragmented and uncoordinated workforce development system in Toronto and Ontario leads to programmatic responses to unemployment that do not sufficiently leverage local assets to meet community needs. Lack of robust and consistent guidelines, processes, and tools to support stakeholders, such as employers, employment service providers and community partners.¹⁵ Insufficient resources available to conduct robust labour market analysis (including labour market data, intelligence, forecasting, foresight, and sector expertise) and apply the analysis to inform community benefits initiatives.

¹³ According to consultations held in 2019, the construction sector currently does not collect or track data on equity indicators that could be used in the context of community benefits hiring. See Attachment 5 "2019 Consultations" in Community Benefits Framework 2019 Report.

¹⁴ Graser, D. (2018). [Community Benefits in York Region](#).

¹⁵ An overview of the complex system coordination required for construction job hiring and professional, administrative, technical job hiring, is provided in Attachment 3.

Theme	Key Challenges with Community Benefits Implementation
	<ul style="list-style-type: none"> • Need to identify mechanisms to expand the pool of diverse and local suppliers. • Lack of strategic direction, leadership, and resources for workforce development coordination, management and "Lead" function across initiatives at the City.
Setting Hard Targets	<ul style="list-style-type: none"> • Lack of effective process to conduct project assessments for community benefits value, as a pre-requisite to setting hard targets. Project assessment criteria needs to include: City authority, project scope, budget, duration, anticipated type and number of new workforce development opportunities, place-based opportunities, anticipated type and number of procurement opportunities. • Lack of process to align set targets to: access to training, recruitment and employment supports, local population demographics, and availability of local and diverse-owned businesses to meet purchaser and employer needs. • Lack of specificity and clarity regarding the definitions of equity-seeking populations

Using Hard Targets to Achieve and Enforce Community Benefits

There is no doubt that hard targets are a best practice for community benefits. As noted in the 2019 Community Benefits Framework Supplementary Report¹⁶, hard targets are a key component of the City's community benefits initiatives, and will continue to be as the City pursues and secures community benefits. Research and experience in other jurisdictions indicates that hard targets and enforceability should be considered in tandem¹⁷.

Definition of Hard Targets

Hard targets refer to terms and conditions in a community benefits contract that defines the scope, quantity and timeframe of a community benefit outcome that is to be achieved by the contract signatory. There are two primary purposes to setting hard targets. Firstly, hard targets establish a clear expectation of what is to be achieved, how much, and by when. Secondly, hard targets are a mechanism with which to enforce a legal remedy of non-compliance with contract requirements. Hard targets indicate that community benefits are not aspirational, but required.

Clear terms and definitions are critically important for setting hard targets. For example, if defined too broadly, definitions for "equity-seeking communities" can create unintentional loopholes that can undermine the potential and spirit of the community benefit initiative. The process for setting hard targets will vary according to the specific

¹⁶ City of Toronto (2019). EC6.15a [Supplementary Report: Community Benefits Framework and Hard Targets](#)

¹⁷ Gross, J. (2008). Community Benefits Agreements: Definitions, Values, and Legal Enforceability. *Journal of Affordable Housing*, 17(1-2), 35-58.; Graser, D. (2016b). [Community Benefits in Practice and Policy: Lessons from the United States and the United Kingdom](#); Ibid Institute for Fiscal Studies and Democracy, 2017; Ibid Gross et al., 2005.

initiative. Generally, setting hard targets should reflect the needs and aspirations of the local community, particularly Black, Indigenous and equity-seeking people within that community. Further, the process should generally apply a place-based lens, strive to balance opportunity and risk, as well as balance ambition and achievability. Ideally, hard targets should push contract signatories to be as ambitious as possible. However, hard targets should not be set so ambitiously, to the point of becoming aspirational.

Case studies have shown that projects that include hard, enforceable targets (as opposed to aspirational targets) are effective in holding stakeholders accountable, and in achieving community benefits outcomes¹⁸. Hard targets can be used to secure a range of community benefits outcomes including: workforce development requirements (e.g. number and type of employment or training), number and type of procurement contracts to local businesses, diverse suppliers and social enterprises, and other supplementary benefits such as affordable housing units or use of community space¹⁹.

Informed by legal review at the City of Toronto, the City approaches hard targets where there is clear legal authority, or a City "lever", to enforce compliance of meeting community benefits hard targets, or terms and conditions. The "levers" used to date have been City procurement contracts, real estate agreements related to City-owned land (e.g. lease agreements), financial incentives (e.g. Imagination, Manufacturing, Innovation and Technology Program), and unique scenarios such as consent for casino expansion (e.g. Casino Woodbine). A summary of current hard targets under the Community Benefits Framework is found in Attachment 2.

It is not feasible or necessary to create separate community benefits agreements (CBAs) that would be *in addition to* community benefits requirements that are secured and enforced in City contracts through City authority or levers (E.g. procurement, lease agreements). To date, the City of Toronto has signed one separate community benefits agreement (Rexdale CBA), which was leveraged through a unique opportunity related to the expansion of gaming at Casino Woodbine. All other community benefits requirements to date have been secured and enforced in City contracts through City authority (see Table 3 List of Community Benefits Initiatives).

Hard Targets Cannot be achieved without Back-End Infrastructure

While the City has set hard targets on a project by project basis, it has not achieved them. At this time, the City's community benefits initiatives are not achieving current levels of hard targets because it does not have the necessary infrastructure to set appropriate hard targets, support them to be met, monitor progress or enforce compliance²⁰. For example, most social procurement contract signatories are unable to

¹⁸ Ibid Graser, 2018.

¹⁹ Ibid Ontario Construction Secretariat, 2019; Ibid Institute of Fiscal Studies and Democracy, 2017.

²⁰ The Rexdale - Casino Woodbine Community Benefits Agreement is an exception. In 2019 - 2020, One Toronto Gaming was on track to meet the targets and conditions of the agreement, although there have been significant losses as a result of the government-mandated closure of the casino during the pandemic. The success was in large part the result of a dedicated Hiring Coordinator at One Toronto Gaming, as well as significant support from management, in addition to three dedicated City of Toronto staff. While there has been initial success, further progress especially on conditions related to the use of local and diverse suppliers, and increasing access to construction jobs for youth from Black, Indigenous

meet hard targets for workforce development. Feedback from contract signatory employers and community partners has demonstrated a willingness to collaborate and partner with the City of Toronto to achieve community benefits goals and objectives. However, they require the City to provide leadership and guidance through the development of back-end infrastructure.

The City does not have that capacity to adequately guide and support contract signatories at this time. Establishing hard targets that are not attainable undermines efforts to maximize and increase community benefits outcomes because those hard targets, in being unattainable, become aspirational.

Without additional staff resources and time to develop the back-end infrastructure to support community benefits implementation, the City of Toronto will not be able to achieve hard targets at current levels, let alone require stakeholders like contractors and employers, to achieve higher hard targets on projects. For these reasons, the current project by project hard target levels cannot be set higher. A summary of current hard targets under the Community Benefits Framework is found in Attachment 2.

Similarly, until back-end implementation infrastructure is developed, it is not feasible to establish "one size fits all" universal minimum hard targets across all City programs. The City must focus on establishing hard targets on a *project by project basis* while new implementation models are designed, prototyped and pilot tested in collaboration with community partners and key stakeholders (see section on Collaborating with Community Partners and Sector-Based Experts, and see Table 5. Overview of Phases for Three Year Testing Period of Models).

Project Assessments to Determine Community Benefits Value

A key element of the back-end infrastructure to be developed is a process to identify when and how project assessments to determine community benefits value and inclusive economic impact should be conducted. This project assessment can be used to inform decisions around the range and level of potential hard targets. Both stakeholder consultations and community benefits literature highlight the importance of striking the right balance between hard targets and stakeholder capacity to deliver, otherwise the employers will face hurdles, and this puts the community benefits contract at risk of succeeding²¹. Risks to project quality and timelines can be mitigated by conducting diligent project assessments for community benefits value prior to setting hard targets.

Where applicable, the process for assessing projects to determine community benefits value could include a set of criteria that can be used to review individual projects in depth²². These criteria can be used to determine appropriate range and level of hard targets on a project by project basis. Below is a list of suggested criteria:

and equity-seeking communities requires greater support from the City. This support will be available as the City develops the back-end infrastructure.

²¹ Ibid Prism Economics and Analysis, 2020.

²² At this time, the City's Social Procurement Program applies a set of criteria (suitability, reach, feasibility and volume) on individual projects to assess anticipated workforce development opportunities. A screening threshold of \$5M budget and two year duration is applied. However, these criteria must be

- City lever or legal authority to enforce compliance;
- Project type, scope, budget, and duration;
- Anticipated type and number of net new workforce development opportunities;
- Anticipated type and number of procurement opportunities;
- Access to local training, recruitment and employment agencies;
- Analysis of local population demographics;
- Analysis of local population employment interests;
- Access to local and diverse-owned businesses whose products and services align with the purchaser needs.

Example of Project Comparisons by Type, Scope, Budget and Duration

There is no one size fits all formula to setting hard targets in projects because each project is different in scope, size and opportunity. The appropriate range (what) and quantity (how much) of hard targets for one project might not be an appropriate fit for another project. It can be challenging to set hard targets that are reasonable, measurable and can be implemented seamlessly, without causing project delay²³.

For example, a "10 per cent local and social hiring" hard target might fit well for a hypothetical City infrastructure project to build a community centre in one of Toronto's Neighbourhood Improvement Areas. The hypothetical project has a \$10 million budget, a project scope includes a wide range of skilled trades performing work on site, with a large number of anticipated new hires. The project duration is estimated at three years, which potentially allows for long stretches of work placements, and this local area has a well-established network of community organizations that could assist with training, recruitment and wrap around supports.

On the other hand, a hypothetical "state of good repair" sewer water main replacement project is valued at \$50 million and is estimated to take one year in duration to complete. The project description states a large proportionate of the budget is slated to go towards the cost of acquiring drilling equipment. This hypothetical project plans to employ a small, existing crew of workers who represent a highly specialized trade that is planning to work mostly underground. There are few net new hiring opportunities anticipated, and this specialized trade does not have a large pool of trained candidates available to recruit at any time. In this case, the 10% local and social hiring hard target is not a good fit for this project. The feasibility of achieving that target is low. Instead, it may be more impactful to work with key stakeholders to develop a dedicated community outreach and training program so that an available pool of workers who represent equity-seeking communities are ready to work on future City sewer water main projects.

Jurisdictional Scan

There is limited research on community benefits, especially in the Canadian context, given community benefits policies, initiatives and agreements are relatively new in Canada. While community benefits agreements have been in the United States for decades, most research and reports have focused on the negotiation phases of

accompanied with access to resources that provide insights on project scope and phases of work prior to the contract being awarded, which to date, has not been consistently available.

²³ Ibid Graser, 2018.

community benefits, with little analysis or evaluation on the implementation phases of those agreements²⁴. See Attachment 1 for literature review and jurisdictional scan.

Community benefits implementation challenges are not unique to the City of Toronto. While there are jurisdictional differences in the approach to community benefits²⁵, findings from the key informant interviews (listed below) made it clear that when it comes to challenges with community benefits implementation, there are many similarities and shared experiences.

- City of Los Angeles, Department of Public Works (Use of Project Labour Agreements is similar to the workforce development component of Toronto's Social Procurement Program).
- Los Angeles Alliance for a New Economy (25 years of community-based organizing and public policy advocacy; led several community benefits agreement negotiations including Los Angeles Live Staples Centre in 2001).
- Julian Gross (Leading legal scholar and practitioner for over 25 years on community benefits agreements).
- North West Bronx Community and Clergy Coalition (Community coalition that led the 2013 negotiations of Kingsbridge Armoury Community Benefits Agreement).
- City of Vancouver (Adopted Community Benefits Policy in 2018 which applies to planning applications for rezoning).

Table 2 below summarizes key findings from the key informant interviews with community benefits leaders in the United States and Canada. Additional findings are found in the literature review and jurisdictional scan (Attachment 1).

Table 2. Key Findings from Interviews with Community Benefits Key Informants

Theme	Key Findings
<p>1. Local governments are well-positioned to monitor and enforce compliance in community benefits contracts.</p> <p><i>"There is no doubt that implementation and enforcement should lie with the government. These contracts work better if government can enforce them."</i> (Los Angeles Alliance for New Economy)</p>	<ul style="list-style-type: none"> • Key informants highlighted that government have access to municipal levers and authority to enforce and monitor community benefits contracts. • Key informants highlighted scenarios when non-profit organizations experienced financial risk and administrative burden due to turnover, when it came to monitoring and enforcing community benefits agreements.

²⁴ United Way Toronto & York Region. (2015). [On Track to Opportunities: Linking Transit Development to Community Employment and Training Project](#); Graser, D. (2016a). [Community Benefits and Tower Renewal. Evergreen](#); Nugent, J. (2017). The Right to Build the City: Can Community Benefits Agreements Bring Employment Equity to the Construction Sector? Labour/Le Travail, (80).

²⁵ One key difference is that while community benefits in the United States have been primarily driven by community organizing and advocacy ("bottom up"), in Canada they are primarily driven by government through social procurement clauses and community benefits policies ("top down").

Theme	Key Findings
<p>2. Challenges with setting, implementing and enforcing hard targets are widespread.</p> <p><i>"Each community benefits agreement in the United States is negotiated separately given the unique circumstances associated with each project. (Julian Gross. Legal Scholar and Practitioner on Community Benefits)"</i></p>	<ul style="list-style-type: none"> • All key informants have experienced challenges in setting and achieving hard targets for community benefits. Common challenges include: • Unclear definitions, terms and conditions. • Insufficient labour market or procurement information in advance of setting hard targets • Working in unionized environments such as the skilled trades. • Lack of coordination between community and employment organizations and employers.
<p>3. The use of third parties to coordinate hiring or monitor contract compliance can be effective.</p> <p><i>"In the LA experience, the third party 'job coordinator' model has been most successful when the organization works directly with the local government and has pre-existing connections with labour unions and community organizations in the target area." (City of Los Angeles)"</i></p>	<ul style="list-style-type: none"> • The use of a third party to coordinate hiring or monitor contract compliance has helped some jurisdictions in the United States. • In Los Angeles, a third party model where developers hire a "Jobs Coordinator" has been successful in assisting contractors with recruitment of unionized workers. • In the City of Vancouver's community benefits agreement with the Parq Urban Resort and Casino, the developer hired a third party organization to oversee implementation of the project agreement and conduct reporting to the City of Vancouver. The third party organization worked with developers and a variety of community partners.

Theme	Key Findings
<p>4. Community benefits can only thrive with dedicated staff resources to develop best practices and oversee implementation.</p> <p><i>"You need the internal infrastructure to make this work. If you can't manage your community benefits program, you can't monitor it. Staff are needed to develop reporting protocols." (City of Los Angeles)</i></p>	<ul style="list-style-type: none"> • Key informants emphasized that community benefits initiatives require long-term and dedicated staff resources to develop best practice models for implementation and monitoring contracts. • Bureau of Contract Administration oversees Project Labour Agreement contract compliance for the City of Los Angeles Public Work projects. They have a team of eight staff who review 150 City public works contracts per year. • In the absence of dedicated staff resources, City of Vancouver contracted a community organization to develop implementation resources. Vancouver City staff will be submitting a budget request for dedicated staff resources to implement the Community Benefits Agreement Policy.
<p>5. Effective community benefits implementation requires resources and time to develop back-end infrastructure.</p> <p><i>"A building is only as strong as the foundation upon which it sits. Community benefits work is a marathon, not a sprint. Building the back-end infrastructure does not happen overnight." (City of Los Angeles)</i></p>	<ul style="list-style-type: none"> • Key informants reinforced the critical need to have systems and structures in place to ensure the consistent and coordinated implementation of community benefits. • In 2010, City of Los Angeles developed an Online Certified Payroll System through which all City contractors submit payroll records. This data is integrated into a data analytics program to monitor project status in real time. This system took ten years to build and has significantly improved the City of Los Angeles' capacity to monitor and enforce its Project Labour Agreements.

Current Community Benefits Initiatives

At the City of Toronto, the term "community benefits" is used in a variety of ways, which can cause confusion. The Community Benefits Framework does not change or alter the community benefits as defined and secured through the Planning Act²⁶ or any other Provincial or Federal regulations. Rather, the Community Benefits Framework focuses on community benefits that produce social and economic development opportunities that are inclusive and equitable (such as workforce development and social procurement) and that can be enforced through existing municipal authority or levers.

It is important to note that the nuanced definitions for "community benefits" may differ slightly across community benefits initiatives. For example, Toronto Community Housing

²⁶ City of Toronto (2020). [Bill 108: Changes to Ontario's Planning System](#).

may focus on a range of community benefits that align directly with the interests and priorities of tenants.

The City of Toronto currently has four established and active community benefits initiatives: Social Procurement Program, Housing Now Initiative, Rexdale - Casino Woodbine Community Benefits Agreement, and Imagination, Manufacturing, Innovation and Technology (IMIT) Program. In addition to these four initiatives, there are at least ten new community benefits initiatives that are currently being reviewed across City divisions and corporations. Six of the new initiatives are directed by City Council to include community benefits.

Table 3 provides an overview of the community benefits initiatives, broken down into the two groups: Established and Active; and New and In-Review. There may be newer initiatives missing from this table.

Table 3. List of Community Benefits Initiatives (as of October 2020)

Status	Name of Community Benefits Initiative
Established and Active	<p>Social Procurement Program</p> <ul style="list-style-type: none"> • Since 2017, more than 50 City procurement contracts selected to include workforce development and supply chain diversity requirements. See Attachment 5. <p>Housing Now Initiative</p> <ul style="list-style-type: none"> • 17 large-scale affordable housing development projects; community benefits conditions attached to each project. See Attachment 4. <p>Rexdale – Casino Woodbine Community Benefits Agreement</p> <ul style="list-style-type: none"> • 22-year contract with One Toronto Gaming that contains range of community benefits requirements. See Attachment 6. <p>Imagination, Manufacturing, Innovation and Technology Program</p> <ul style="list-style-type: none"> • 55 property-tax rebate recipients (and participating tenants) in 2020; local employment requirement attached to each recipient agreement. See Attachment 7.

Status	Name of Community Benefits Initiative
New and In-Review	<ul style="list-style-type: none"> • Jane-Finch Initiative – Community Development Plan and Updated Land Use Planning Framework* • Metrolinx Transit Expansion Projects* • Lawrence Heights Social Development Plan* • Regent Park Social Development Plan* • Don Summerville Revitalization* • Downtown East 2023 Five-Year Action Plan* • Mount Dennis Economic Development Study • Golden Mile Revitalization • Waterfront Toronto - Quayside • Parkdale Community and University Health Network, Social Medicine Initiative

*Directed by City Council to include community benefits

At this time, the Community Benefits Framework team, which is comprised of one full-time equivalent staff, is supporting four established and active community benefits initiatives. Collectively, these four initiatives oversee approximately 120 contracts that contain community benefits requirements. Update reports for the four established and active community benefits initiatives are provided in Attachments 4 to 7.

Until back-end infrastructure is developed, designed and tested, the Community Benefits Framework team's ability to support "new and in-review" community benefits initiatives will be limited. Given limited staff resources to respond to the high demand for community benefits, City staff will develop a proposed approach to prioritize the community benefits initiatives to receive support from the Community Benefits Framework.

Collaborating with Community Partners and Sector-Based Experts

The City of Toronto, with community partners and key stakeholders, is working towards co-designing new models for a strong foundation for community benefits implementation. The City sees itself as a system player, a connector and an innovator. The City cannot achieve systems changes without collaboration with community partners and key stakeholders. These partners and stakeholders have expertise and capacity that the City can leverage as opposed to doing it alone.

The development of back-end infrastructure for community benefits implementation will require City staff to: strengthen existing, and build new relationships with key stakeholders; coordinate workforce development partners and sector-based experts to lead the way where they are equipped to do so; and ultimately, create the conditions for Indigenous, Black and equity-seeking communities to gain access to employment and economic opportunities in a dire period of COVID-19 pandemic recovery and rebuilding.

At a minimum, the following key components of a back-end infrastructure are needed to support current community benefits initiatives, and pave the way for new initiatives in future. The design of models to address these components are being developed.

- A coordinated workforce development system that connects a range of inter-related and interdependent groups including employers, skills preparation and training programs, employment agencies, youth employment programs, skilled trades union training centres, union locals, local community groups and job seekers. This critical juncture presents opportunity to develop new approaches to workforce development pathways, engage employers and industry leaders to forecast hiring opportunities, as well as new roles in collaboration with community partners, employer associations, and other key stakeholders.
- A data tracking, monitoring and evaluation framework to clarify outcomes and impacts to be tracked by community benefits signatories. This framework must include data collection tools to guide how to track and report disaggregated data regularly. The framework must also include a methodology for community benefits disaggregated data analysis that measures the longitudinal social and economic impact of community benefits initiatives at the City of Toronto.
- A process to conduct project assessments for community benefits value, which can then be used to set hard targets. The process must specify key criteria and factors to be reviewed on a project by project basis, when considering potential hard targets for community benefits outcomes such as workforce development, social procurement, or other community identified priorities.
- A potential model for a place-based intermediary to be a local, community-based coordinator and convener of local employment organizations and community groups. This network of stakeholders would collaborate to maximize community benefits opportunities that aim to achieve local, inclusive economic development. Existing place-based intermediary models, such as the Centre for Connected Communities'²⁷ "workforce integrator" model, will be reviewed.

Building a Team to Lead Design, Prototype and Pilot Test Models

In order to proceed with this work, dedicated staff resources are required to lead design, prototype and pilot test models to establish a strong foundation for community benefits initiatives. Social Development, Finance and Administration has submitted a business case through the 2021 budget process for consideration.

Time Needed to Develop Approaches to Implementation

Three solution-focused projects are currently in development. They are an opportunity to apply systems thinking²⁸ to tackle the challenges highlighted in the implementation of community benefits initiatives in Toronto. The intent is to explore new partnership models through which the City can leverage the expertise and capacity of other system players towards a more collaborative, sustainable, and integrated system of supports for job-seekers from Indigenous, Black and equity-seeking communities.

²⁷ [Centre for Connected Communities](#)

²⁸ A 'system' is comprised of interconnected and interdependent patterns of actions involving many components: organizations, institutions, people and their relationships. Systems thinking is about taking a whole-system or holistic approach; a dynamic view of a problem while looking for patterns, linkages and interactions between the elements of these interconnected parts. (Adapted from MaRS Solution Lab).

- **Model One - Construction Hiring** will leverage the City of Toronto's investment in construction training programs and partnerships with unions and employers to enable program participants to gain access to employment opportunities offered through community benefits initiatives (established and active), with a particular focus on the City's Social Procurement Program.
- **Model Two - Professional, Administrative and Technical (PAT) Hiring** will leverage the capacity and expertise of employment service providers in Toronto to support the recruitment and job coordination needs for City contracts with workforce development requirements through community benefits initiatives (established and active), with a particular focus on the City's Social Procurement Program.
- **Model Three - Place-based Workforce Integrator** will leverage relationships with the community sector and invest in a systems approach to workforce development that is demand-led, supply-driven, and grounded in community needs.

A description and breakdown of the three year period of design, prototype and pilot testing period for these three models is provided in Table 5.

Table 5. Overview of Phases for Three Year Testing Period of Models

Phases of Design and Pilot Testing	Phase 1 "Laying the Foundation": Planning, Engagement and Design (2020 - 2021)	Phase 2 "On a Test Run": Testing, Learning and Scaling (2021 - 2022)	Phase 3 "Gaining Confidence": Continuous Improvement (2022 - 2023)
Activities	<ul style="list-style-type: none"> • Research on challenges and opportunities. • Development of models with City partners and key stakeholders. • Co-design features to be tested with participating stakeholders. • Develop protocols and processes to inform stakeholders. 	<ul style="list-style-type: none"> • Prototype, test and learn. • Finalize and pilot based on learnings. • Monitor and evaluate pilots. • Analyse and report on pilots. • Scale where feasible to other community benefits initiatives. • Continue to iterate. 	<ul style="list-style-type: none"> • Continue to scale learnings to other community benefits initiatives. • Develop quality assurance measures. • Finalize Community Benefits "How To" Playbook.

Phases of Design and Pilot Testing	Phase 1 "Laying the Foundation": Planning, Engagement and Design (2020 - 2021)	Phase 2 "On a Test Run": Testing, Learning and Scaling (2021 - 2022)	Phase 3 "Gaining Confidence": Continuous Improvement (2022 - 2023)
Outcomes	<ul style="list-style-type: none"> • Coordinated systems approaches to local and social hiring pathways that connect employers, job seekers, employment agencies, training programs, unions, and community partners. • Monitoring and evaluation framework that guides disaggregated data collection and analysis on common outcomes, outputs and socio-economic impacts to be tracked across all community benefits initiatives. • Community benefits implementation "How To" protocols and processes for key stakeholders. 		
Key Stakeholders	<ul style="list-style-type: none"> • City of Toronto divisions, agencies and corporations • Participating Indigenous, Black and equity-seeking job seekers • City divisions / agencies involved in the Community Benefits Framework • Community Benefits Working Group (External Stakeholders) • General contractors awarded City contracts through the Social Procurement Program • Black contractors network • Anchor institutions (E.g. Colleges, universities, government agencies) • Participating developers • Construction unions, local affiliates, and union training centres • Workforce development pilot partners: Employment Ontario agencies, other employment service providers, Construction Connections etc. • One Toronto Gaming • Community partners including Toronto Community Benefits Network, Centre for Connected Communities, Mount Dennis Community Association, Parkdale People's Economy, etc. 		

By using this iterative approach to the development of the back-end infrastructure to support community benefits initiatives, the Community Benefits Framework plans on introducing tools to address the challenges in the implementation of those initiatives on a rolling basis. What this means is that City staff won't be waiting until the end of the three year period to present a final product. Rather than a "big bang approach", what is being proposed is to work alongside key stakeholders to develop effective hiring pathways, monitoring and evaluation tools, and guidelines to enable knowledge sharing and transfer throughout the process.

During the three year testing period, the four established and active community benefits initiatives will serve as prioritized testing sites²⁹. Therefore, staff resources to support any "New and In-Review" community benefits initiatives will be constrained and limited

²⁹ In 2020, the four established and active community benefits initiatives are Housing Now Initiative, Social Procurement Policy, Rexdale - Casino Woodbine Community Benefits Agreement, and Imagination, Manufacturing, Innovation and Technology Program.

to providing community benefits consultations and knowledge sharing. Concrete implementation tools can be shared with all community benefits initiatives once the back-end infrastructure is developed and documented.

Conclusion

The demand and expectations for community benefits initiatives have outpaced what the City of Toronto can deliver at this time. While there is tremendous enthusiasm for the pursuit of ambitious community benefits at the City of Toronto, the work of achieving and reporting on those community benefits has only just begun. Investment of time and resources are required to enable the City to maximize the potential of community benefits as part of inclusive economic recovery and growth.

Working with community partners, employers and sector-based experts, a dedicated staff team will design, prototype and pilot test the necessary back-end infrastructure and lead the systems change necessary to build a strong foundation that will enable the City to achieve significant social and economic outcomes for Black, Indigenous, and equity-seeking communities.

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ATTACHMENTS

- Attachment 1. Jurisdictional Scan
- Attachment 2. Hard Targets by Community Benefits Initiative (2020)
- Attachment 3. Overview of Hiring Pathways
- Attachment 4. Update Report: Housing Now Initiative
- Attachment 5. Update Report: Social Procurement Program
- Attachment 6. Update Report: Rexdale - Casino Woodbine Community Benefits Agreement
- Attachment 7. Update Report: Imagination, Manufacturing, Innovation and Technology Program

ATTACHMENT 1

Jurisdictional Scan

Purpose and Overview

The purpose of this document is to summarize best practice approaches and lessons learned in implementing community benefits initiatives in Canada and the United States.

This document is divided into two parts. Part One presents a literature review of best practices and lessons learned in community benefits implementation. There is limited research on community benefits, especially in the Canadian context, given community benefits policies, initiatives and agreements are relatively new in Canada. While community benefits agreements have been in the United States for decades, most research and reports have focused on the negotiation phases of community benefits, with little analysis or evaluation on the implementation phases of those agreements³⁰.

Part Two is a summary of findings from interviews with community benefits key informants in the United States and Canada. Interviews were conducted with the following key informants:

- City of Los Angeles, Department of Public Works (Use of Project Labour Agreements is similar to the workforce development component of Toronto's Social Procurement Program).
- Los Angeles Alliance for a New Economy (25 years of community-based organizing and public policy advocacy; led several community benefits agreement negotiations including Los Angeles Live Staples Centre in 2001).
- Julian Gross (Leading legal scholar and practitioner for over 25 years on community benefits agreements).
- North West Bronx Community and Clergy Coalition (Community coalition that led the 2013 negotiations of Kingsbridge Armoury Community Benefits Agreement).
- City of Vancouver (Adopted Community Benefits Policy in 2018 which applies to planning applications for rezoning).

Definitions and Jurisdictional Differences

There are distinct approaches to community benefits, including community benefits agreements and community benefits clauses.

A community benefits agreement is a legal contract typically signed between developers, government, and/or community groups that leverage construction or infrastructure projects to achieve social, economic, or environmental community needs on a project-by-project basis (Gross et al., 2005; United Way, 2015; Partnership for Working Families, 2016; Mowat Centre, 2018).

- Community Benefits Agreements can either be private (signed between a developer and community group or coalition), public (signed between

³⁰ United Way Toronto & York Region. (2015). [On Track to Opportunities: Linking Transit Development to Community Employment and Training Project](#); Graser, D. (2016a). [Community Benefits and Tower Renewal. Evergreen](#); Nugent, J. (2017). The Right to Build the City: Can Community Benefits Agreements Bring Employment Equity to the Construction Sector? Labour/Le Travail, (80).

government and developer or government and community group or coalition), or hybrid (multi-party agreements between government, developer, and community group or coalition) (Graser, 2016b; Graser, 2018).

- Community benefits clauses incorporate community benefits in public contracts, commonly through public procurement processes. While Community Benefits Agreements are focused on incorporating community benefits into development and infrastructure projects on a project-by-project basis, community benefits clauses are designed to include community benefits requirements more systematically in public contracts, such as through procurement and are guided by policy frameworks (Van Ymeren & Ditta, 2017).
- Social procurement refers to social purchasing efforts by large institutions, with a focus on supplier diversity and delivering community benefits through purchasing. For the procurement component of community benefits, the term social procurement is often used interchangeably (Ontario Construction Secretariat, 2019).

Community Benefits Agreements arose and are still most commonly used in the United States, where community benefits have been primarily driven from the ground up through community and grassroots mobilization. In the United Kingdom, community benefits clauses are more common since community benefits have been primarily driven by policy makers from the top-down (Graser, 2016; Mowat Centre, 2018). However, many community benefits clauses in the United Kingdom have had minimal community consultation and lacked the extensive community engagement common in the United States (Graser, 2018).

In Ontario, there are examples of both approaches (Atkinson, 2016; Mowat Centre, 2018). In the City of Toronto, community benefits initiatives have focused on leveraging community benefits opportunities through clauses, where enforcement authority is clear, compared to community benefits agreements.

For the purposes of this literature review and jurisdictional scan, focus was placed on community benefits agreements in the North American context due to the availability of research and case studies.

Limited Research on Community Benefits Implementation

There is limited research on community benefits implementation, especially in the Canadian context. This is not surprising given community benefits policies, initiatives and agreements are relatively new in Canada as more provinces and cities turn their attention to the potential of community benefits policies to create inclusive economic development opportunities for equity-seeking groups, particularly when it comes to leveraging public infrastructure spend.

Community benefits reports and case studies originating from the United States can be helpful, although limited in their direct comparability to Toronto. When it comes to community benefits, jurisdictional differences make comparative analysis across Canadian and American cities challenging. There may be jurisdictional differences in land use and planning legislation or in the structure of local, place-based workforce development networks. In addition, project specifications can differ widely from one

project to the next. Yet, regardless of these jurisdictional differences general lessons learned can be useful to contemplate in the Canadian and Toronto context.

Another major difference is that in the Canadian context, community benefits initiatives are primarily driven by government, whereas in the United States community benefits agreements have been primarily driven by community coalitions. This is a significant difference, particularly when it comes to the government-led approach in Canada to enforcing community benefits through existing levers or authority.

To date, research on community benefits tend to focus on the negotiation phase of community benefits agreements. There are comparatively fewer publications that analyze community benefits implementation outcomes and evaluation of community benefits agreements in the United States (United Way, 2015; Nugent, 2017). Many jurisdictions are still identifying the best methods to monitor and measure the long-term impacts of community benefits agreements and have not yet comprehensively addressed this, sometimes due to the absence of a dedicated coordinator to oversee reporting (Van Ymeren & Ditta, 2017; Nugent, 2017). Many long-term, multi-year community benefits agreements are still in the early stages of implementation which may limit available research on success, outcomes, and implementation challenges (Graser, 2016b). In the United States, public reporting of outcomes has been limited because many community benefits agreements are private, not public agreements (Graser, 2018).

To supplement the limited access to published research on community benefits implementation, key informant interviews were held with select jurisdictions across Canada and the United States. Key findings appear in Part Two of this document.

Part One: Best Practices and Lessons Learned in Community Benefits Implementation

While there are limitations in the research on community benefits implementation, a thorough literature review was conducted to examine insights emerging from academic research, research reports, and the text of existing Community Benefits Agreements, where available. Best practices and lessons learned from other jurisdictions can help inform Toronto's implementation experience, however cannot prescribe it. These best practices and lessons learned can help to inform the next steps and resources that need to be developed for consistent and coordinated implementation of Toronto's Community Benefits Framework.

Through a review of current literature reports and publications, six key best practice themes on community benefits implementation were extracted and identified. They are:

- Assessing Projects for Community Benefits Opportunities
- Hard Targets Must be Clearly Defined and Measurable
- Intermediary Organizations Can Help Facilitate Coordination
- Data Tracking, Monitoring and Reporting Systems Are Essential
- Community Engagement is Key for Place-Based Projects
- Community Benefits Implementation Requires Resources

A description of each theme is provided below.

Assessing Projects for Community Benefits Opportunities

Community benefits literature highlights the importance of striking the right balance between hard targets and stakeholder capacity to deliver, otherwise employers will face hurdles and this puts the community benefits contract at risk of succeeding (Prism Economics and Analysis, 2020). Prior to setting hard targets, the community benefits opportunities associated with an individual project must be determined. As a best practice, the target setting process is one that must carefully balance opportunity, risk, ambition and achievability.

Workforce development targets need to be informed by an understanding of the capacity of local community resources, a realistic assessment of the number of job training organizations in an area, and sufficient capacity for jobs coordination support (Gross et. al, 2005). Workforce development targets also need to be proportional to the amount of work available on a specific project (Van Ymeren & Ditta, 2017).

Targets are highly dependent on the context of the project and should be informed by labour market and local supplier intelligence. If set without this, targets focused on a specific geographic area or population group may face limitations on the availability of sufficient workers or appropriate local businesses (Van Ymeren & Ditta, 2017). For local procurement targets, there should be a clear understanding of the suppliers and businesses available in the defined geographic area and how this aligns with the targets being set (Graser, 2018). In Vancouver, the developer for the Parq Urban Resort and Casino Community Benefits Agreement was unable to meet the original 10% local procurement target due to a lack of appropriate suppliers in the original catchment area. Through its Community Benefit Agreement policy and the development of back-end infrastructure, the City of Vancouver is seeking to address this challenge which is expanded on in the summary of key informant interviews in Part Two.

To understand the community benefits opportunities in relation to capacity of local community resources and a number of other factors, individual projects should be reviewed and assessed. Proactively clarifying the scope of community benefits tied to a project can support a more focused approach and in turn, make future monitoring and enforcement more feasible (Van Ymeren & Ditta, 2017).

As a best practice, project assessment criteria can be used to inform decisions around the appropriate range and level of potential community benefits hard targets on a project by project basis. An interview with a prominent community benefits legal scholar and practitioner from Los Angeles emphasized the need for project-by-project assessments and negotiations of hard targets, citing each project is unique in its scope of work and therefore, in its community benefits opportunities. Below is a list of suggested criteria³¹.

- Government lever or legal authority to enforce compliance

³¹ At this time, the City of Toronto's Social Procurement Program applies a set of criteria (suitability, reach, feasibility and volume) on individual projects to assess anticipated workforce development opportunities. A screening threshold of \$5M budget and two year duration is applied. However, these criteria are only useful if there is access to a full understanding of project scope and phases of work prior to the contract being awarded, which to date, has not been consistently available.

- Project type, scope, budget, and duration
- Anticipated type and number of net new workforce development opportunities
- Anticipated type and number of procurement opportunities
- Access to local training, recruitment and employment agencies
- Analysis of local population demographics
- Analysis of local population employment interests
- Access to local and diverse-owned businesses whose products and services align with the purchaser needs

Hard Targets Must be Clearly Defined and Measurable

Hard targets refer to terms and conditions in a community benefits contract that defines the scope, quantity and timeframe of a community benefit outcome that is to be achieved by the contract signatory³². The twofold purpose of setting hard targets is first, to establish a clear expectation of what is to be achieved, how much, and by when. Secondly, hard targets are a mechanism or benchmark upon which to enforce a legal remedy of potential non-compliance with contract requirements. Hard targets must be attached to accountability mechanisms that clarify recourse and/or penalties if the targets are not met. Hard targets indicate that community benefits are not aspirational, but required.

Community benefits initiatives primarily strive for hard targets that focus on three main categories of outcomes: workforce development, which includes training and employment opportunities; social procurement from local businesses, diverse suppliers or social enterprises; and supplementary community benefits, such as affordable housing, community space, or other identified community needs (Ontario Construction Secretariat, 2019; Institute of Fiscal Studies and Democracy, 2017). Since community benefits are dependent on the jurisdictional, legal, and community contexts within which they are developed, there is not a "one-size-fits-all" approach to setting hard targets (Ontario Construction Secretariat, 2019).

While hard targets are an important best practice for defining community benefits in contracts, there are challenges to getting it right. Findings from the existing literature highlight a number of key considerations:

- Definitions should be clearly scoped to avoid situations where there is a lack of clarity or where efforts are too specific (Van Ymeren & Ditta, 2017).
- Targets need to be attainable, measurable, and should not risk the quality, costs, or length of a project (Graser, 2018). The process of setting hard targets can be time consuming to both plan for and administer.
- For workforce development targets, there needs to be a clear hiring pipeline or pathway established in order to recruit appropriate workers (Atkinson, 2016).
- Every target should have a clearly defined time frame associated with it (Gross et al., 2005).
- For place-based projects, targets should be focused on community-identified priorities that emerge from community engagement (Olatoye et al., 2019).

³² Definition of hard targets used by the City of Toronto (Community Benefits Report, December 2020).

- The achievement of hard targets requires clearly defined roles and responsibilities of the respective parties involved in achieving them (Graser, 2018). This refers to roles of contract signatories, and any other parties who will be involved in the delivery, coordination and achievement of the hard targets. For workforce development targets, this might include community partners, employment agencies, employers, skilled trade unions and training programs.
- Targets that are focused on the short-term and not adequately aligned with the long-term goals of the community will have limited impact, and may undermine community trust in community benefits agreements (Van Ymeren & Ditta, 2017).

Clear terms and definitions are critically important for setting hard targets. For example, if defined too broadly, definitions for "equity-seeking communities" can create unintentional loopholes that can undermine the potential and purpose of the community benefits initiative (Van Ymeren & Ditta, 2017). In addition, targets based on time spent on the job (e.g. hours worked) are often favoured over number of hires for workforce development targets associated with specific target populations in construction jobs as it ensures contractors commit to a certain number of hours instead of hiring target groups only for a short period of time to "meet" the target (Van Ymeren & Ditta, 2017; Graser, 2018). To date however, data tracking methods and reporting tools for hours worked in skilled trades has proven to be challenging to develop and implement in Ontario. There is significant systems coordination and collaboration required between unions, employers, government, and community partners to track, validate and report equity hires for skilled trades employment.

Intermediary Organizations Can Help Facilitate Coordination

Dedicated staff resources for coordination within government can help drive implementation and ensure adequate monitoring and enforcement are achieved (Nugent, 2017). Literature reports have also described some community benefits implementation models that use a third party monitor or jobs coordinator to create hiring pathways and lead data tracking and reporting. An independent third party monitor (often also referred to as a job coordinator or a labour market intermediary) is often used to ensure hiring targets can be met by supporting recruitment, training, and placement of workers and by acting as the intermediary between government, unions, employers, and community organizations (Graser, 2016; United Way, 2015; Van Ymeren & Ditta, 2017).

Even with a possible intermediary or organization identified, it takes significant effort to build a coordinated approach and identify the key players to help recruit, train, support and place targeted workers, particularly those from disadvantaged groups (Graser, 2018). Facilitating the creation of hiring pathways and infrastructure is particularly important for meeting hiring targets for populations where additional supports may be needed for upgrading basic education or skills or facilitating apprenticeship and training opportunities (United Way, 2015).

Below are some examples of jurisdictions where the use of an intermediary organization has been implemented:

- In the United States, the primary mechanism is typically a First Source Referral System or First Source Hiring Policy, which requires employers to circulate job

postings to organizations that service targeted client groups in advance of the general public and in the case of the First Source Hiring Policy, interview targeted job applicants for a specified period prior to interviewing the general public (United Way, 2015).

- In Vancouver, an integral part of the success of the Parq Urban Resort and Casino Community Benefits Agreement was the hiring of an independent third-party consultant which supported the developer with supplier relationships and hiring pathways (City of Vancouver, 2018).
- In Oakland, the Oakland Army Base Community Benefits Agreement created the West Oakland Jobs Resource Centre which acted as the workforce hub/jobs coordinator and played an intermediary role. The Centre was initially funded by both the developer and City of Oakland (Graser, 2016).
- In Los Angeles, there are a number of established organizations such as PVJOBS, formed in 1998, that act as job coordinators to implement workforce development provisions of various community benefits agreements. These organizations are typically hired by contractors to monitor the process and to coordinate with community organizations that recruit and train workers (Graser, 2016).

In Ontario, the Centre for Connected Communities is developing a workforce integrator model that leverages relationships with the community sector and invests in a systems approach to workforce development that is demand-led, supply-driven, and grounded in community needs. As part of the development of back-end infrastructure to support community benefits implementation, the City of Toronto's Community Benefits Framework will look at the workforce integrator model as a potential place-based approach that can be incorporated.

Data Tracking, Monitoring and Reporting Systems Are Essential

In order for the implementation of hard targets to be monitored effectively over time, there needs to be robust tracking, monitoring and compliance measures established (Graser, 2018). This has been a challenge faced by many jurisdictions in the implementation of community benefits; moreover, the failure to collect the required data due to the lack of appropriate data tracking and reporting systems has been the "Achilles heel" of community benefits approaches in many jurisdictions (Graser, 2018).

A robust data tracking, monitoring and reporting system requires the development of metrics and processes to guide how employers and other parties are expected to comply with reporting requirements (Abrazhevich, 2020). The community benefits agreement should clearly identify the reporting obligations of each party for each provision within the contract terms and conditions (Partnership for Working Families, 2016). In the context of infrastructure projects, data tracking and reporting requirements should also specify when terms apply not only to the primary developer or contractor but also to any subcontractors and commercial tenants where applicable (Gross et. al, 2005; Fazio & Wallace, 2010; Partnership for Working Families, 2016). Compliance from contractors and subcontractors can become difficult if these monitoring and reporting requirements are not built into the process from the beginning (Graser, 2018).

In terms of enforcement, the contract or agreement should include specific processes or remedies for addressing non-compliance (Graser, 2018; Partnership for Working

Families, 2016). Enforcement and monitoring mechanisms should be managed by a body or signatory with the long-term capacity to enforce requirements, such as government or public institutions (Graser, 2018). The role of government in monitoring and enforcing community benefits agreements is expanded on in Part Two.

For some large-scale projects, the establishment of accountability and oversight structures may be required. For example, an accountability and oversight structure might include an oversight committee, consisting of government, contract signatories, and community groups, to enhance transparency and accountability through regular progress reports (Van Ymeren & Ditta, 2017; Graser, 2016). The Rexdale-Casino Woodbine Community Benefits Agreement, for example, has an accountability and oversight structure with three oversight bodies responsible for ensuring accountability and transparency: a Community Steering Committee (convened by the City of Toronto), the Casino Woodbine Responsible Gambling Oversight Committee (convened by Ontario Lottery & Gaming Corporation), and the Employment and Labour Market Advisory Working Group (convened by One Toronto Gaming).

Community Engagement is Key for Place-Based Projects

For projects that have lasting place-based impacts and implications, meaningful community engagement is important to achieve accountability and transparency with local communities (Mowat Centre, 2018). In the Toronto context, social development plans and economic development studies are examples of opportunities for meaningful community engagement that can inform future community benefits opportunities. Effective community engagement not only ensures that targets are aligned with real community needs, but in some scenarios, the inclusion of communities in the negotiation and implementation process can also build resilience and social capital through increasing new skills and networks in a community (Institute of Fiscal Studies and Democracy, 2017).

In some scenarios, community representation may be incorporated into accountability and oversight structures that are established to monitor and support implementation of large-scale community benefits agreements. For example, as noted prior, the accountability and oversight structure for the Rexdale-Casino Woodbine Community Benefits Agreement includes a Community Steering Committee that has representation from community partners and local residents. This may require capacity building to ensure communities can effectively participate (United Way, 2015; Van Ymeren & Ditta, 2017; Institute for Fiscal Studies and Democracy, 2017; Graser, 2018). The key informant interviews summarized in Part Two provided more context to the role of government and community in enforcing community benefits.

Not all community benefits initiatives require community engagement. For example, the City of Toronto Social Procurement Policy systematically selects large-scale City projects to include workforce development requirements in contracts. Community engagement is not conducted for each contract.

The existing research identifies a number of best practice approaches to community engagement in community benefits opportunities where there are strong place-based implications, including:

- Engage the community as early on in the process as possible and maintain ongoing engagement throughout the process to build trust and accountability. Ensure communities are engaged in mapping and defining community priorities (United Way, 2015; Institute of Fiscal Studies and Democracy, 2017; Graser, 2018; Mowat Centre, 2018; Olatoye et al., 2019).
- Ensure community engagement is inclusive and tailored to meet the community being targeted and incorporate specialized outreach or culturally appropriate methods as needed (United Way, 2015; Graser, 2018; Mowat Centre, 2018; Olatoye et al., 2019).
- Leverage existing community organizations and networks and work with community leaders to help identify tactics to manage community expectations and build trust (United Way, 2015; Mowat Centre, 2018).
- Involve building trades in the resident engagement process as ambassadors to provide insights into the industry to prospective applicants (United Way, 2015).
- Provide support to build community capacity to participate in the negotiation process either by providing funding to support resident leader or community agency time or engage a third-party organization dedicated to supporting residents and building community capacity (Institute for Fiscal Studies and Democracy, 2017).

Community Benefits Implementation Requires Resources

Community benefits literature makes it clear that without dedicated staff resources within government to coordinate and oversee community benefits, and without the development of back-end infrastructure of systems and processes to provide guidance on the "how to" of community benefits implementation, community benefits are not likely to succeed. If government is responsible for monitoring and enforcement but does not allocate sufficient resources to effectively do so, it risks the success of its community benefits initiatives. Insufficient staff resources can result in inadequate attention being given to implementation of community benefits contracts (Gross, 2008). The interviews with key informants reiterated the need for staff resources to drive community benefits work (see Part Two).

Implementation strategies and guidelines are key to the successful implementation of community benefits, including staff training, communications tools, detailed policy guidelines and processes, monitoring and evaluation frameworks, and guidelines for contractors to help understand the expectations of them (Graser, 2018). The development of this back-end infrastructure takes time and effort, and should not be underestimated.

Weak community benefits agreements are often characterized by a lack of clearly defined hard targets and enforcement mechanisms. When community benefits agreements do not deliver on the promised community benefits, whether due to insufficient enforcement methods, unclear targets, or insufficient community engagement, there are significant risks not only to community trust (Van Ymeren & Ditta, 2017) but also to the legitimacy of community benefits agreements as a platform for community development (Partnership for Working Families, 2016). This risk is one that the City of Toronto must take seriously when considering the need for additional resources to effectively implement the Community Benefits Framework.

In the United States where community benefits have primarily been driven by community, community benefits agreements may be signed directly between the developer and a community organization or community coalition. This can pose a challenge to the enforcement of the agreement if the community organizations do not have the capacity, resources, or expertise to effectively hold the developer or other partners accountable (Graser, 2016). The interviews with key informants reinforced the important role that government is well-positioned to play in monitoring and enforcing community benefits (see Part Two).

Part Two: Key Informant Interviews

To validate and supplement the limited pool of available literature on community benefits implementation, interviews were conducted with key informants in Los Angeles (City of Los Angeles; Los Angeles Alliance for a New Economy), New York (North West Bronx Community and Clergy Coalition), Oakland (Julian Gross), and Vancouver (City of Vancouver). These jurisdictions were selected as they are often referenced as having significant experience with community benefits agreements and with Vancouver to compare implementation experiences in the Canadian context.

There are jurisdictional differences in the approach to community benefits in the United States compared to Canada. One key difference is that while community benefits in the United States have been primarily driven by community organizing and advocacy, in Canada they are primarily driven by government through social procurement and community benefits policies or clauses. While there may be jurisdictional differences, the key informant interviews made it clear that the core goals and implementation challenges are similar.

Many jurisdictions have or are moving towards a similar approach to what Toronto has taken in terms of an overarching community benefits policy framework to strive for a coordinated, consistent approach. For example, the City of Vancouver developed its Community Benefit Agreement Policy in 2018 based on learnings from previous agreements and the City of Los Angeles has adopted a number of ordinances that apply to public works contracts for the city, including a master Project Labour Agreement (PLA) for infrastructure projects over a certain threshold. All Project Labour Agreements include boilerplate language for local hire requirements on construction hours worked (30% local hiring, 10% transitional worker formerly 'at-risk' or disadvantaged hiring, and 50% of all apprentice hours performed by local apprentices). These targets are achieved through an established union training and recruitment pathway that feeds candidates directly into jobs with employers who are awarded public works contracts. This training and hiring pathway took a significant amount of time and resources to develop and implement.

The following key themes were identified through the key informant interviews. These key themes are aligned with, and complement, the best practices and lessons learned identified through the literature review in Part One.

Effective Implementation Requires Resources and Structures

Experiences from other jurisdictions reinforce the critical need to have appropriate structures in place to ensure the consistent and coordinated implementation of community benefits. Changing the way that large-scale development and infrastructure

projects are done takes time, policy expertise, and commitment from the public sector, and dedicated resources.

Many of the key informants stated their jurisdictions have developed, or are in the process of developing, resources to ensure they can effectively implement community benefits agreements.

- The City of Vancouver contracted Buy Social Canada to develop a Community Benefits Agreement Compliance Toolkit to help developers and general contractors in complying with their Community Benefit Agreement Policy which applies only to planning applications for rezoning. These resources include a Community Benefits Agreement Developer Compliance Checklist, Community Benefits Agreement General Contractor Compliance Checklist, and a Community Benefits Agreement Compliance Projection & Reporting Tool, among others.
- The City of Vancouver is also in the process of establishing a city-wide Community Benefits Agreement Working Group to ensure consistent monitoring and reporting and to help identify capacity building needs to improve workforce development growth opportunities in local supply chains.
- In 2010, the City of Los Angeles developed an Online Certified Payroll System (OCPS) which all contractors submit payroll through and has developed a number of integrated databases that provide real-time analysis on how targets are being met. While it took time and dedicated resources to build these platforms, they have significantly improved capacity to monitor and enforce Project Labour Agreements. These databases have also increased transparency and accountability in the process, as they are publicly available and contractors are encouraged to regularly monitor their own progress in meeting targets.

A broader public policy goal of community benefits agreements is to drive systems change by facilitating a culture shift in the way business is typically done to embed equity goals into large development and infrastructure projects. This process requires dedicated time and resources to build the capacity of project partners such as developers and unions to properly understand and deliver community benefits.

Governments Play Important Policy and Facilitation Roles

Government can play an important role in facilitating an enabling policy environment to ensure community benefits agreements can be effectively implemented. Some community benefits agreements, particularly in the United States, have faced barriers due to a lack of government support or involvement. For example, in the case of the Kingsbridge Armory Community Benefits Agreement in New York City, the lack of municipal support and dedicated staff left community coalitions struggling to navigate the bureaucracy and also resulted in delays to the process.

Key informants also highlighted the important role that government can play in monitoring and enforcement of community benefits. In the United States, community benefits have been primarily driven by community and it is often the case that community coalitions have a formal role in the monitoring and enforcement of agreements. However, key informants interviews noted that in many instances the not-for-profit sector is not always sufficiently resourced for this role and it can often be to the detriment of adequately monitoring and enforcing the agreement.

While in the United States there are a number of funded intermediaries that support community coalitions, sustaining these coalitions over time has been challenging. In some cases the local municipality becomes a signatory to the Community Benefits Agreement as they have the resources to properly monitor and enforce agreements over the long-term that communities may lack (Graser, 2018).

In Los Angeles, while community coalitions led the negotiation of the Staples Centre Community Benefits Agreement with the developer, the Community Benefits Agreement was ultimately incorporated into the development agreement between the City and the developer to ensure it could be enforced by the City of Los Angeles as well as the community coalition (Graser, 2018). Key informants from Los Angeles stressed that while historically community has played a significant role in implementation, the sector does not have the sufficient resources or capacity to do so and enforcement has proven to be more effective when led by government.

Challenges with Hard Targets are Common

Challenges are being faced in other jurisdictions in meeting hard targets, in particular with meeting hiring targets in unionized environments. While there are some models that have emerged in the United States, after over 20 years of community benefits implementation there is no universal formula to determine the range and quantity of hard targets for projects.

In the case of the Oakland Army Base Community Benefits Agreement, the City of Oakland retained Julian Gross, an attorney with two decades of experience in community economic development, to assist in the development and negotiation of the agreement. For this initiative, a Project Labour Agreement was negotiated between the City of Oakland, Alameda County Building Trades Council, and affiliated unions to facilitate contractor compliance with the Construction Jobs Policy and to facilitate a "carve-out" for small local contractors who are non-union. These agreements have facilitated targets being met, but is an example of the significant time, resources, and expertise required to establish the mechanisms necessary to do so.

The key informant interviews also reinforced that unclear definitions and/or insufficient labour market or procurement intelligence in advance of setting hard targets can also create challenges in meeting targets. The City of Vancouver's 2018 Community Benefit Agreement Policy was developed to create a more consistent, coordinated approach to community benefits agreements and to address some of the challenges faced in implementing targets. For example, until the City of Vancouver agreed to expand the catchment area, the developer for the Parq Urban Resort and Casino Community Benefits Agreement was unable to meet the 10% local procurement target due to a lack of appropriate suppliers in the original catchment area. Vancouver's Policy seeks to address these challenges by allowing for flexibility in terms of procurement catchment areas or offsetting lower procurement targets for higher labour targets where necessary.

The City of Vancouver's city-wide Community Benefits Agreement Working Group, currently being established, will play a role in helping to improve capacity in local supply chains and the City is also working to develop a comprehensive list of local suppliers and goods to develop a Community Benefits Agreement Social Value Menu that can be

referred to when minimum benchmarks for labour and/or material procurement are unfeasible.

Community Benefits Policies Require Implementation Resources

Regardless of jurisdictional differences in implementation across North America, there are similar implementation challenges being experienced. One of the main messages that was consistent across all key informant interviews was the fact that community benefits agreements and clauses require long-term commitment and dedicated resources to properly negotiate, implement, monitor and enforce.

Other cities are experiencing similar challenges to Toronto in terms of a lack of dedicated staff resources for the implementation of community benefits agreements. The City of Vancouver has recognized the need for dedicated resources to implement its Community Benefit Agreement Policy and will be submitting a request through the City's budget process. In the interim, the City of Vancouver has contracted Buy Social Canada to provide some support with consulting and developing communications and implementation materials.

Effective monitoring and enforcement of community benefits agreements and policies requires dedicated resources. The City of Los Angeles Bureau of Contract Administration is responsible for independent quality control and contract compliance for all City of Los Angeles Public Work projects. With a dedicated staff team of eight people, they are responsible for conducting pre-qualify screening of all contract bids as well as monitoring all active contracts for compliance. For 20 years, the City of Los Angeles has used Project Labour Agreements with public works contracts, which are similar to the City of Toronto's Social Procurement Program's use of City contracts to leverage workforce development and supply chain diversity requirements.

City of Los Angeles staff also emphasized the importance of having political and/or bureaucratic champions to advance community benefits goals and objectives in the face of possible resistance or opposition from stakeholders.

The need for implementation resources is also noted in the existing research on community benefits. For example, one of eight core criteria outlined by Graser for the successful implementation of community benefits is the need for policy guidelines and procurement strategies for implementation. Graser warns that "the danger of creating a policy without sufficient internal support and resources is that it will fail for lack of expertise and commitment. It will fail not with a bang, but with a whimper: lip service may be paid, but little will be achieved" (2016, 21).

Use of a Hiring Coordinator

The use of a hiring coordinator, often incorporated into the agreement as a financial responsibility of the developer, has helped other jurisdictions in meeting hiring targets. This has been most successful when the person or organization works directly with local government and has pre-existing connections with skilled trades unions and community organizations in the target area.

However, the use of a hiring coordinator alone is not sufficient to meet hard targets, but can be one mechanism to facilitate implementation. Other elements that need to be

considered include labour market intelligence and hiring pathways to ensure job seekers can be matched with opportunities, proper data tracking to validate hiring requirements, and sufficient wraparound services to support target populations that face systemic barriers to economic opportunities, including Indigenous, Black, and equity-seeking communities. The City of Toronto approach is to develop the back-end infrastructure to better understand the roles and responsibilities of stakeholders within a coordinated system, and in tandem, aim to determine where and when an intermediary model is suitable for the City's community benefits initiatives.

Examples of how some jurisdictions have incorporated use of a hiring coordinator include:

- The City of Vancouver's Community Benefits Agreement policy states that the City of Vancouver may contract with a third party organization to support implementation and that an independent third party organization or individual may be contracted to support the developer with Community Benefits Agreement compliance, either voluntarily or as a condition of rezoning requirements.
- This is based on learnings from the Parq Urban Resort and Casino Community Benefits Agreement, which embedded the requirement for the developer to hire a third party organization responsible for regular reports to the City of Vancouver. The third party organization worked with developers and a variety of partners, including Work BC Centres, Open Door Group, Vancouver Community College, and EMBERS to coordinate job fairs, outreach and construction to meet both construction and operations hiring targets.
- In Los Angeles, the Bureau of Contract Administration requires contractors to submit an Employment Hiring Plan prior to starting work, which outlines how the company plans to fulfill local hiring goals outlined in the Project Labour Agreement. If the City identifies that the contractor has not done its due diligence, they can be deemed unresponsive and will not be awarded the contract. The City of Los Angeles encourages contractors to use a jobs coordinator to facilitate targeted hiring requirements but does not mandate this automatically. If a contractor is found to not be meeting hiring targets, the City of Los Angeles may require the contractor to hire a jobs coordinator as a compliance measure.
- The Vancouver (Community Benefits Policy for rezoning applications) and Los Angeles (Public Works contracts only) examples above are program specific. They do not represent a city-wide coordinated framework similar to the City of Toronto. Toronto's Community Benefits Framework aims to create coordination and consistency across a number of City of Toronto community benefits initiatives when it comes to local and social hiring pathways, setting hard targets, and data tracking and reporting. The overarching "back-end infrastructure" needs to be developed prior to confirming the possible roles and responsibilities of third party intermediaries in the Toronto context.

Conclusion

While there are no across-the-board guidelines on how public institutions should implement community benefits agreements, the literature review and key informant interviews have identified a number of best practices and lessons learned in regards to setting, implementing and enforcing community benefits hard targets.

Best practices identified for community benefits implementation that should be considered in the context of Toronto's Community Benefits Framework include:

- Determining opportunities for community benefits on a project by project basis to identify relevant and feasible opportunities and targets;
- Ensuring hard targets are clearly defined and based on an analysis of local labour market, local community demographics and procurement supply chain intelligence;
- The development of robust tracking, monitoring, and compliance mechanisms;
- Develop the back-end infrastructure to better understand the roles and responsibilities of stakeholders within a coordinated system, and in tandem, aim to determine where and when an intermediary model is suitable to facilitate hiring pathways and local procurement supply chains for the City's community benefits initiatives.
- The need for clear, robust enforcement mechanisms to hold contract signatories accountable such as an oversight committee, requirements for public reporting, or the appointment of an independent third-party compliance monitor; and
- The role of government in monitoring and enforcing community benefits agreements and in facilitating an enabling policy environment.

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ATTACHMENT 2

Hard Targets by Community Benefits Initiative (2020)

Community Benefits Initiative	Current Hard Targets	Status
Social Procurement Program	As of 2020, 54 City contracts ^[1] include workforce development requirements. Hard target requirements range from 5-10% of construction hours to be worked by registered apprentices from equity-seeking groups to customized recruitment opportunities.	As of 2020, 35 candidates have been hired. 32 in professional, administrative, technical positions and 3 apprentices. On a project by project basis, hard targets are not being met due to lack of back-end infrastructure to support hiring implementation.
	25% of direct suppliers have or are developing a supply chain diversity policy. (Program Target)	100% of selected contracts include requirements to sub-contract to diverse suppliers
	33% of competitive procurement over \$5M in value to contain workforce development requirements. (Program Target)	44% of competitive procurement over \$5M in value includes workforce development requirements.
	33% of proposals received include a Workforce Development proposal. (Program Target)	50% of the proposals received include a Workforce Development proposal.
Rexdale – Casino Woodbine Community Benefits Agreement	1 Child Care Centre. 40 per cent Local Hiring or Social Hiring, of which 20 per cent must be through Local Hiring.	One Toronto Gaming was on track to meet the targets and conditions of the Rexdale – Casino

Community Benefits Initiative	Current Hard Targets	Status
	<p>10 per cent of overall construction hours to be worked by apprentices and journeypersons from the Woodbine Local Area or Equity-seeking groups.</p> <p>40 per cent of total employees have full-time employment of a minimum of 35 hours per week in the first two years, reaching 50 per cent after two years.</p> <p>10 per cent annual non-construction procurement through Local and Diverse Suppliers.</p> <p>1 large-scale event per month, or 12 large-scale events per calendar year at the new Entertainment Venue to ensure community access to space.</p>	<p>Woodbine Community Benefits Agreement in 2019 – 2020.</p> <p>However, the COVID-19 pandemic has had severe impacts on gains previously made and led to significant lay-offs in 2020 due to government-mandated closures to prevent the spread of the virus.</p>
Housing Now Initiative	<p>Successful proponents will be required to work with CreateTO and the City to finalize minimum hard targets for local and/or social hiring opportunities and procurement from local or diversely-owned businesses in a Community Benefits Plan to be attached to the project lease agreement.</p>	<p>Three Housing Now projects were released to market in 2019. Remaining projects are expected to be released to market in 2021 and 2022.</p>
Imagination, Manufacturing, Innovation and Technology Program	<p>It is a requirement of IMIT, as specified by City By-law, that all recipients must work with City staff to develop a local employment plan that will identify opportunities for local hiring and/or training and document how the applicant or property user will utilize City endorsed or sponsored employment programs.</p> <p>The newly implemented points-system pilot program is a voluntary way to achieve the requirement specified in the By-law that is</p>	<p>Staff are still in the process of collecting data on the 2020 employer participation and activities. In addition, Council has recently approved a two year extension of the pilot project.</p>

Community Benefits Initiative	Current Hard Targets	Status
	<p>expected to be adopted by most recipients.</p> <p>As of September 2020 there have been at least 55 approved Imagination, Manufacturing, Innovation and Technology applicants that have been introduced to the new process of achieving points through the pilot program. Of these, approximately 30 have submitted employment plans, with more to be received.</p> <p>Those participating in the points system must achieve a target of a certain number of points, although there is flexibility in terms of which measures can be used. More value is assigned to commitments with greater expected impact.</p>	

ATTACHMENT 3

Overview of Hiring Pathways

Construction Job Hiring Pathway

This single hiring pathway would require coordination and proposing new roles within local community organizations, construction training programs, skilled trade unions who dispatch workers to contractors, contractors who are bound to union hiring rules, City of Toronto Large Infrastructure Project Managers, and Community Benefits Leads to convene and coordinate all of the stakeholders. Construction Connections, a sector-focused and inclusive workforce development program, was launched in 2017 to address some of the key challenges in the sector by (1) providing a pipeline of suitable, qualified candidates from equity-seeking groups for construction sector employers and (2) enabling better coordination across a range of construction sector stakeholders. While there have been some successes, challenges ranging from a fragmented and uncoordinated construction sector landscape in Toronto and complexities of the union dispatching process, have made it difficult to achieve the intended goals of Construction Connections and influence systems change.

Professional, Administrative and Technical Job Hiring Pathway

The hiring pathway for professional, administrative and technical jobs would require dedicated resources to create and coordinate targeted partnerships and outreach strategies between employers, training providers and employment agencies. This includes developing customized recruitment opportunities with employers, providing wrap around supports to potential candidates, and establishing guidelines for tracking and validating new hires. For example, to date for the Social Procurement Program, out of over 120 job postings for a wide range of employment opportunities that have been brought forward by employers since 2016, there have been only 35 candidates hired - 32 in professional, administrative, technical positions and 3 apprentices - given the high touch of supports needed for recruitment.

ATTACHMENT 4

Update Report: Housing Now Initiative

Background

The City of Toronto's Housing Now Initiative was launched in December 2018 to create new affordable rental housing on City-owned real estate. By dedicating City lands to affordable housing construction, the Housing Now Initiative is converting real estate value into much-needed new affordable rental homes across the City. The affordable housing will be developed within mixed income, mixed-use and transit-oriented communities.

In January 2019 City Council committed the first 11 City-owned sites to be activated for affordable housing through the Housing Now Initiative. In May 2020 Council added six additional sites as a second phase of the initiative.

Phase One of the Housing Now Initiative is estimated to create approximately 10,750 new residential units with approximately 7,750 being purpose-built rental housing, including over 3,800 affordable rental units. The Phase 2 sites are estimated to add between 1,455 and 1,710 new residential units to the program, including approximately 1,060 to 1,240 purpose-built rental units with approximately 530 to 620 being affordable rental units. Work is well underway to advance both Phase One and Phase Two of the Housing Now Initiative.

The Housing Now Initiative is an important component of the City of Toronto's HousingTO 2020-2030 Action Plan and will contribute towards the City's target of approving 40,000 affordable rental homes over the next 10 years.

City Divisions and Agencies Involved

The key City divisions and agencies involved in the planning and delivery of Housing Now are the Housing Secretariat, City Planning, Corporate Real Estate Management and CreateTO:

The Housing Secretariat is the program owner, responsible for coordinating delivery of the program with City divisions and agencies and reporting to Council on progress annually;

- City Planning provides the overall Planning vision for Housing Now properties and proactively prepares the sites for development through an expedited review process, including fast-tracking Official Plan Amendments, Zoning By-law Amendments and plans of subdivision;
- CreateTO is the City of Toronto's new real estate agency and is leading the overall pre-development and market offering process for each Housing Now site to realize the maximum potential of each unique development opportunity; and
- Corporate Real Estate Management is responsible for overseeing lease negotiations and construction at the sites.

Community Benefits Plan

The primary objective of Housing Now is the creation of affordable rental housing within compete communities. In addition to affordable housing, Housing Now projects have the

ability to support inclusive social and economic outcomes for Torontonians who face systemic barriers to economic opportunities. To that end, each Housing Now project will develop a unique Community Benefits Plan outlining the development's objectives and targets for supplementary community benefits such as local and social hiring opportunities, supply chain diversity opportunities, other community benefits outcomes, and also include, tracking and monitoring protocols.

Given the recent introduction of Community Benefits Plan for Housing Now sites, in addition to the lack of back-end infrastructure currently available through the Community Benefits Frameworks, CreateTO and the City have taken a gradual and collaborative approach to setting hard targets for Phase One and Two projects. Proponents are to state their hard target commitments to the delivery of local/diverse hiring and local/diverse procurement. The commitments will be negotiated, documented and tracked to create a site-specific Community Benefits Plan.

All development proponents bidding on a Housing Now site will be required to submit:

- A summary of previous community benefits experience that includes up to 3 examples of how relevant community benefits initiatives or outcomes may have been achieved by the Proponent in the past. Where possible, each example should include the details of the program or initiative, description of target populations who benefited, and the impact on local community;
- Propose a target number of 'person year' jobs for local and/or Social Hiring opportunities generated by the Housing Now Project; and/or
- Propose a target procurement dollar value from local or diversely-owned businesses.

The successful development proponent on a Housing Now site will be required to:

- Develop the Community Benefits Plan jointly with the City of Toronto; oversee Community Benefits Plan implementation and track progress through data collection and analysis with guidance from the City of Toronto; provide quarterly updates with the City of Toronto throughout construction and initial occupancy of the Housing Now Project to monitor progress and address matters related to the implementation of the Community Benefits Plan;
- Agree upon a minimum target number of 'person year' jobs of "net new" hiring opportunities to be recruited and sourced through local and/or social hiring approaches for the Housing Now Project; and/or
- Agree upon a minimum project procurement target dollar value from local or diversely-owned businesses.

Currently Community Benefits commitments have been acknowledged and committed to by development proponents on the first three Housing Now Projects (777 Victoria Park Ave, 50 Wilson Heights Boulevard and 705 Warden Ave). These first three projects were released to market for developer proponents to bid for in 2019 and 2020. The remaining sites will be released to market for interested developers to bid on over the course of 2021 and 2022. Each of these Housing Now projects will require the minimum above listed commitments in order to be selected as a winning bid.

The Housing Now Initiative will deliver significant community benefits in the form of affordable housing, as well as provide other inclusive economic development opportunities through local and social training, hiring and procurement. Housing Now is one of the City initiatives that would be supported by improved back-end community benefits infrastructure within the City's broader Community Benefits Framework (coordinated systems approaches to local and social hiring pathways, monitoring and evaluation framework, community benefits implementation "How To" protocols and processes for key stakeholders) to fully realize the community benefits potential of the Housing Now Initiative.

ATTACHMENT 5

Update Report: Social Procurement Program

Toronto City Council adopted the Social Procurement Policy in 2016 as a concrete way to address inclusive economic development recommendations in the Toronto Poverty Reduction Strategy. Since 2017, the implementation of the Social Procurement Program has advanced at a moderate pace, which is a direct reflection of staff resource constraints to oversee and lead this program. The key issues and potential solutions are discussed below.

The City of Toronto's Social Procurement Program aims to drive economic growth by improving access to the City's supply chain for diverse suppliers³³ and leveraging meaningful training and employment opportunities for Black, Indigenous and equity-seeking communities. The City, through the procurement process, awards an average of \$2.5 billion in goods and services each year. There are two components to the Social Procurement Program: Supply Chain Diversity and Workforce Development.

Two-Year and Five-Year Program Targets

When the Social Procurement Program was adopted in 2016, it established two-year and five-year program targets (or output indicators)³⁴. Progress reports as of 2019 are provided in the Table 1 below.

Table 1. Two-Year and Five-Year Program Targets (as of 2019)

Supply Chain Diversity Component				
Output Indicators	2-year Target (2018)	5-year target (2021)	Discussion	Progress Report as of 2019
Number of Diverse Suppliers included in City of Toronto supply chain, whether as a direct supplier	Baseline and targets established.	Initial targets achieved. New targets established for further expansion of Program.	Procedures and systems will be developed to systematically monitor supply chain.	Baseline number of Diverse Suppliers established. Baseline representation of each diverse group established. Outreach efforts to

³³ A diverse supplier is a business that is certified by a supplier certification organization to be 51% or more owned, managed, and controlled by Indigenous persons or persons belonging to an equity-seeking community including, but not limited to, women, recent immigrants (10 years or less), racialized minorities, black Torontonians, persons with a disability including mental health, LGBTQ2S+, vulnerable youth, veterans, and persons with low income; or a social purpose enterprise whose primary purpose is to create social, environmental, or cultural value and impact, and where 51% or more of the full-time equivalent employees are participating in, or have completed, transitional employment training and experience economic disadvantage.

³⁴ See Appendix A. [City of Toronto Social Procurement Program Summary in the Staff Report entitled "City of Toronto Social Procurement Program" \(April 2016\)](#)

or a subcontractor.				balance representation from each diverse group has begun. Procedures and systems developed to monitor supply chain diversity.
Number of direct suppliers in competitive procurements that are developing their own supply chain diversity policy.	25% of direct suppliers have or are developing a supply chain diversity policy.	50% of direct suppliers have or are developing a supply chain diversity policy.	City staff will work with suppliers to encourage and promote the value of supplier diversity initiatives.	100% of contracts awarded that include Workforce Development requirements, also include requirements for subcontracting with Diverse Suppliers.
Workforce Development Component				
Output Indicators	2-Year Target (2018)	5-Year Target (2021)	Discussion	Progress Report as of 2019
Number of competitive procurements selected to include a Workforce Development component.	33% of competitive procurement over \$5M in value	33% of competitive procurement over \$5M in value	Target based on applying the criteria set out in the policy to procurements over \$5 million and the capacity to manage social procurement process with current approved staff resources.	44% of competitive procurement over \$5M in value selected to include a Workforce Development component.
Number of proposals received for Request for Proposal projects that	33% of proposals received include a Workforce	75%of proposals received include a Workforce	A goal of the Program is to build awareness and capacity over time so that	50% of the proposals received include a Workforce Development proposal.

include a Workforce Development proposal	Development proposal.	Development proposal.	most proponents are able to propose and engage in Workforce Development.	
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Supply Chain Diversity

Supply chain diversity is a business strategy that promotes the adoption of diverse suppliers within an organization's supply chain. The Social Procurement Policy states that for Invitational Request for Quotes, valued between \$3,000 and \$100,000, a minimum of one (1) diverse supplier must be invited to bid as part of the three-quote process. Supply chain diversity is not about preferential treatment. It is about "levelling the playing field" by removing inequitable barriers to access procurement processes and supporting a truly competitive climate. Diverse suppliers must meet specifications and offer competitive pricing.

Supply Chain Diversity Achievements to Date

Based on the Policy thresholds mentioned above, Table 2 below illustrates the City of Toronto's supply chain diversity achievements since the Program's implementation in January 2017.

Table 2. Social Procurement Program, Supply Chain Diversity Achievements (2017 – 2019)

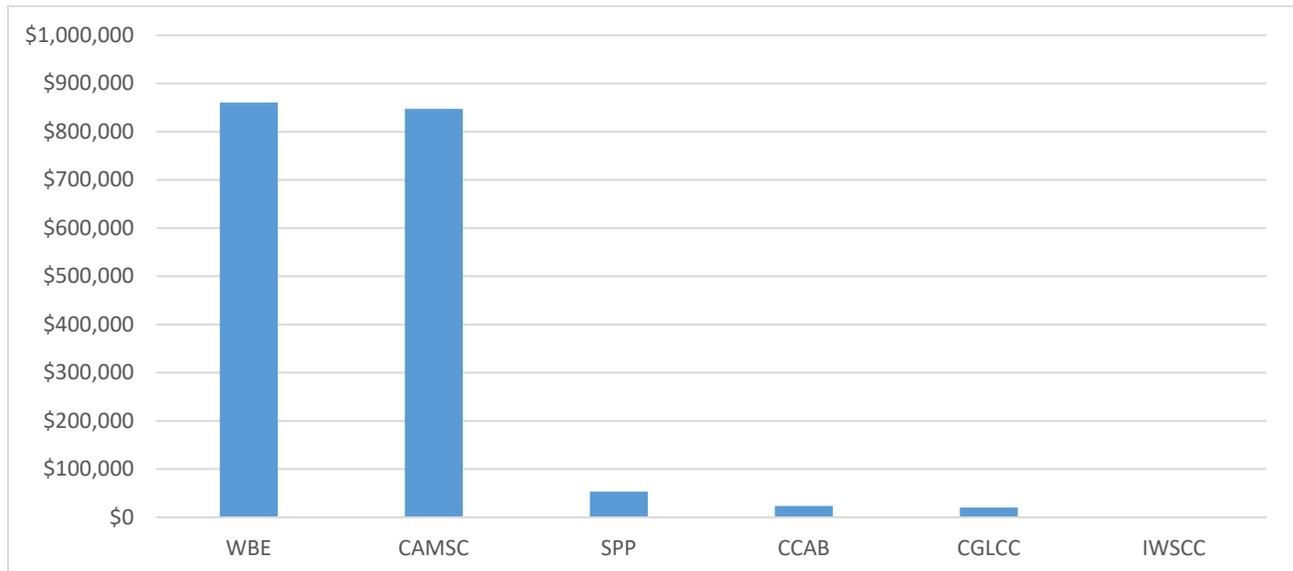
Year	Purchase Orders Issued (\$3,000 to \$100,000)
2017	\$1,361,600
2018	\$1,290,400
2019	\$1,805,150
2020	TBD
TOTAL	\$4,457,150

In 2019, the City of Toronto issued a total of \$1.8M worth of City contracts to diverse suppliers. Table 3 below provides a further breakdown of 2019 contracts (valued between \$3,000 to \$100,000) issued to diverse suppliers by affiliated supplier council (certification body):

- \$860,300 in contracts to women-owned businesses under Women Business Enterprise Canada (WBE) certification.
- \$847,500 in contracts to minority-owned businesses under Canadian Aboriginal Minority Supplier Council (CAMSC) certification.
- \$53,500 in contracts to social enterprises.

- \$23,700 in contracts to Indigenous-owned businesses under Canadian Council for Aboriginal Business (CCAB) certification; and
- \$20,000 in contracts to LGBTQ2S+-owned businesses under Canadian Gay and Lesbian Chamber of Commerce (CGLCC) certification.
- No contracts were issued to businesses certified by Inclusive Workplace Supplier Council of Canada (IWSCC).

Table 3. Breakdown of Contracts (valued between \$3,000 to \$100,000) Issued to Diverse Suppliers in 2019 by Supplier Council Affiliation



One of the key priorities for year three of the Toronto Action Plan to Confront Anti-Black Racism³⁵ is to enhance social procurement practices to achieve higher black business enrollments in the City's diverse vendor's database. Working collaboratively, the Social Procurement Program, Poverty Reduction Strategy Office, Confronting Anti-Black Racism team and Community Benefits Framework team will be supporting this work.

Workforce Development

Workforce Development is an interconnected set of solutions to meet employment needs. It prepares workers with requisite skills, emphasizes the value of workplace learning, and addresses the hiring demands of employers. Workforce Development activities can include, but is not limited to:

- Customized Recruitment
- Training and Work-based Learning Skills Development
- Opportunities for Registered Apprenticeships during Construction
- Use of Diverse Suppliers in the Supply Chain
- Other Employment-related Activities

Workforce Development requirements may apply to large City infrastructure projects valued over \$5 million and more than two years in duration. The workforce development requirements are not intended to displace existing staff at the contractors' organization.

³⁵ [Toronto Action Plan to Confront Anti-Black Racism - Year Two Update](#) (November 2020)

Rather, the targets are based on a proportion of anticipated new hires for City-selected projects.

For Tenders selected by the City to include workforce development requirements, customized language outlining these requirements is inserted in the Construction Agreement and form a part of the legal agreement. For Request for Proposals selected to include workforce development requirements, language is inserted for proponents to propose a Workforce Development proposal which is then scored as part of the evaluation process.

Workforce Development Achievements to Date

There are currently 54 contracts representing 41 City projects (some projects are awarded to multiple contractors) that include workforce development requirements (such as hard targets ranging from 5-10% of construction hours). Of these, 33 were Request for Proposals for professional services such as engineering, architecture, or consulting; 21 were Tenders for construction services.

Of the 54 contracts awarded that include workforce development requirements, only one contract has been completed to date. This means there are opportunities to workforce development outcomes in 53 contracts.

To date, 24 of the 54 contracts have hired 35 candidates, consisting of 32 professional, administration, or technical jobs and three skilled trade apprentices.

Issues and Challenges

The key challenges to implementation discussed in the Community Benefits Framework 2020 Update report are relevant to the experience of the Social Procurement Program. In addition to the workforce development issues, there are specific issues with respect to supply chain diversity including the following:

- The City is dependent on third party supplier certification organizations to outreach to and certify diversely owned businesses. The City has identified several commodity gaps in which no certified diverse supplier exists on the City's master list. Often, procurement opportunities within the Policy threshold are missed because no diverse supplier is available to bid. The City does engage in internal and external outreach to suppliers; however it is aware that the cost for small businesses to get certified is often a barrier.
- The data tracked by the certified diverse suppliers is not sufficiently broken down for the City to be able to provide more specific reporting on the number of Black-owned businesses versus other equity-seeking groups.
- Divisions require continual education with respect to the Social Procurement Policy given the number of staff that can be involved in Divisional Purchase Orders to ensure compliance.

Next Steps for 2021

In 2021, Purchasing and Materials Management, in consultation with Social Development, Finance and Administration and Toronto Employment and Social Services will:

- Work closely with the Community Benefits Framework Team to design, prototype and pilot approaches, related to local and social hiring pathways and data tracking and reporting, as further described in the Community Benefits Framework 2020 Update Report to identify potential solutions.
- Work closely with the existing Supplier Certification Organizations to help identify barriers to certification and consider whether broadening the City's definition of a diverse supplier to include suppliers that can be verified as being diversely owned without the need for certification would be feasible.
- Work closely with the Black Business Organizations and the Confronting Anti-Black Racism unit to discuss systemic barriers and solutions to those barriers in the City's procurement process and on better tracking of Black-owned businesses who have received City contracts.
- Review the criteria for project selection for Request for Proposals and Tenders with workforce development requirements.
- Continue to provide information sessions to City Divisions to educate City staff about the Policy.

ATTACHMENT 6

Update Report: Rexdale - Casino Woodbine Community Benefits Agreement

Summary of Status Update

This attachment provides an update on the implementation of the Rexdale – Casino Woodbine Community Benefits Agreement from August 1, 2019 to October 1, 2020.

Before the onset of the coronavirus disease (COVID-19) pandemic, the majority of the hard target terms and conditions of the Rexdale - Casino Woodbine Community Benefits Agreement were being met or being exceeded. The status update indicates that the disruptions brought on by COVID-19 have had a significant impact on employment at Casino Woodbine and other areas included in the Rexdale – Casino Woodbine Community Benefits Agreement. Despite the challenges and uncertainty, One Toronto Gaming has indicated that they remain committed in their efforts to meet the conditions of the Agreement and the Community Steering Committee is determined to ensure the Rexdale – Casino Woodbine Community Benefits Agreement supports Rexdale and Toronto's recovery and rebuild efforts.

On November 10, 2020, Great Canadian Gaming Corporation announced that it had entered into an agreement to be acquired by Apollo Funds, managed by affiliates of Apollo Global Management. The Board of Directors of Great Canadian Gaming Corporation will recommend to shareholders that they vote in favour of the transaction at a special meeting of shareholders that will be called to approve the transaction. The meeting is expected to be held in December 2020.

The City of Toronto is monitoring the potential acquisition. Staff will report of any potential implications to the Rexdale Casino Woodbine Community Benefits Agreement, if and when they are identified.

Overview of the Rexdale – Casino Woodbine Community Benefits Agreement

Adopted by City Council in 2018, the Rexdale – Casino Woodbine Community Benefits Agreement establishes a range of conditions on One Toronto Gaming, a partnership between Great Canadian Gaming Corporation and Brookfield Business Partners L.P., which is leading the expansion of gaming at Casino Woodbine.

One Toronto Gaming is required to achieve a range of social and economic outcomes including³⁶: i) local and social hiring for both casino operations and construction-related employment, ii) supply chain diversity, iii) maintenance of responsible gambling measures, iv) community access to the event venue, and v) a \$5 million contribution to the City of Toronto to create a child care centre that will benefit Casino Woodbine's employees and local residents.

³⁶ Full outline of the conditions of the [Rexdale - Casino Woodbine Community Benefits Agreement](#)

Summary of Requirements and Achievements

Table 1 summarises the achievements and challenges to date in meeting the targets and requirements of the Rexdale – Casino Woodbine Community Benefits Agreement.

Table 1. Overview of Requirements and Achievements

Requirement	Summary	Achievements to Date
Child Care Centre	Contribute \$5 million to create a child care centre that will benefit Casino Woodbine employees and local residents.	<ul style="list-style-type: none"> • One Toronto Gaming provided \$5 million contribution towards the development of the child care centre in 2018. • Children's Services launched a survey for feedback from community partners and Casino Woodbine employees on the operational considerations for the child care centre, ongoing since 2019. • Children's Services is actively working with a commercial broker to identify a space for the child care centre. Once a location is secured, staff will meet with community and local planning tables and follow an Expression of Interest process to select an operator.
International Marketing Plan for the Woodbine Entertainment Complex	Develop and implement Plan by January 1, 2022.	<ul style="list-style-type: none"> • Preliminary International Marketing Plan delivered by One Toronto Gaming to the City of Toronto in 2018. • Ongoing planning by One Toronto Gaming to update its customer management system to better capture data on out-of-province and international visitors.

Requirement	Summary	Achievements to Date
Employment and Labour Market Plan	Develop a 20-year Employment and Labour Market Plan and implement by January 2019.	<ul style="list-style-type: none"> • Plan submitted by One Toronto Gaming and implementation has begun. • Employment and Labour Market Advisory Working Group established to oversee the implementation and reporting of outcomes of the Plan.

Requirement	Summary	Achievements to Date
Local and Social Hires	<p>40 per cent of new hiring through Local Hiring or Social Hiring.</p> <p>20 per cent through Local Hiring.</p> <p>Prioritize youth hiring and youth who are also members of other Equity-seeking Groups.</p> <p>40 per cent of total employees have full-time employment at a minimum of 35 hrs / week in first two years.</p> <p>50 per cent of total employees have full-time employment at a minimum of 35hrs / week after two years.</p>	<ul style="list-style-type: none"> • Total of 1,653 new hires since One Toronto Gaming took over operations of Casino woodbine in 2018, with 1,798 active employees in March 2020. • Of the 1653 new hires since opening: <ul style="list-style-type: none"> • 49 per cent (816 individuals) self-identified as a social hire. • 11 per cent (176 individuals) were local hires. • 13 per cent (219 individuals) self-identified as youth. • Of the 1,798 active employees in March 2020, 56 per cent were working full time. • Casino Woodbine closed from March 16, 2020 to September 28, 2020 and again on October 9, 2020 due to government-mandated suspension of operations to prevent the spread of COVID 19. As a result only 90 employees remained active as of October 1, 2020, with all other active employees laid-off until further notice. One Toronto Gaming has indicated that laid off employees had their benefits program maintained, which is expected to continue on a month-to-month basis. • Casino Woodbine was expected to reopen on November 14, 2020 as the provincial government relaxes the measures put in place in its modified Phase 2 COVID re-opening framework. However, on November 10, Toronto's Medical Officer of Health issued an order requiring casinos to remain closed. The order will be in place for 28 days³⁷. As of November 23, Toronto casinos and gaming establishments were included in a list of closures due to a further "lockdown" for a minimum of 28 days.

Requirement	Summary	Achievements to Date
<p>Construction Hiring</p>	<p>By 2022, at least 10 per cent of overall hours worked by trades or craftspeople will be apprentices or journeypersons hired through local or social hiring.</p> <p>Prioritize youth hiring and youth who are also members of other equity-seeking groups</p>	<ul style="list-style-type: none"> • Total of 860 people have been working on the Casino Woodbine expansion since construction began in 2018. Of the 860 construction workers: • 1.5% (13 individuals) were local hires. • 27% (234 individuals) self-identified as a social hire. • 16% (137 individuals) self-identified as youth. • Construction ceased on April, 4 2020 when all non-essential construction was suspended by the Province as part of its COVID-19 containment measures; however, resumed on May 19, 2020. • Since construction resumed on May 19, 2020, approximately 26 workers have been on site to ensure compliance with health and safety measures, with construction still underway throughout modified Stage 2 of the provincial government's COVID-19 reopening framework. • In collaboration with the City of Toronto, One Toronto Gaming plans to meet with existing sub-contractors on the site in 2021 to build awareness and understanding of local and social hiring requirements of the Agreement.

³⁷ [Class Order](#) made pursuant to Section 22(5.0.1) of the Health Protection and Promotion Act. Friday, November 13, 2020.

Requirement	Summary	Achievements to Date
Supply Chain Diversity	<p>Develop a Supply Chain diversity Policy and Procedures.</p> <p>Commencing in 2019, at least 10 per cent of annual procurement will be through local or diverse suppliers (construction and specialized gaming procurement is exempt from the target).</p>	<ul style="list-style-type: none"> • One Toronto Gaming developed and begun implementation of a Supply Chain Diversity Policy and Procedures and has brought on a dedicated team member for procurement in Ontario. • In 2020, \$645,000 annual spend on diverse suppliers in the Toronto area across three diverse suppliers and \$116 million annual spend on local procurement, spread across 26 local suppliers within a 7 kilometers radius of the Casino Woodbine site. • Methodologies and data to assess local and social spending against the 10 per cent target still to be developed. For example, data is collected using different formats and approaches by buyers, suppliers, and certification organizations. Additionally, it is challenging to access the lists of local and diverse businesses, especially for a small local area.
Labour Peace	<p>Respect the role of the unions, comply with contractual and statutory labour obligations.</p>	<ul style="list-style-type: none"> • No reports of failing to respect the role of unions or complying with contractual or statutory labour obligations have been received by the City or the Community Steering Committee.
Community Access to Space	<p>Develop Community Access to Space Policy and Procedures and make the Entertainment Venue available for community use for at least one large-scale event per month at little or no cost.</p>	<ul style="list-style-type: none"> • One Toronto Gaming remains committed to ensuring community access to the new Entertainment Venue once construction is completed and it is operational. • A Community Access to Space Policy and Procedures will be developed to ensure appropriate space demand and availability ahead of the launch of the new Entertainment Venue.

Requirement	Summary	Achievements to Date
Responsible Gambling Measures	Maintain Responsible Gambling Measures.	<ul style="list-style-type: none"> All Responsible Gambling requirements are being met, with alternate delivery methods through online and phone channels, in line with COVID-19-specific health and safety guidelines. Ontario Lottery and Gaming Corporation's Social Responsibility department is currently developing a Responsible Gambling Overview, including metrics to report on the implementation and efficacy of the program.
Negative Impacts of Expanded Gambling	Identify negative impacts and implement mitigation measures.	<ul style="list-style-type: none"> One Toronto Gaming, the Ontario Lottery and Gaming Corporation, the Responsible Gambling Oversight Committee and the City of Toronto continue to collaborate to identify risk mitigation approaches, understand player needs and engage community partners.
Monitoring and Reporting	Report on hiring and procurement targets, and other requirements of the Agreement.	<ul style="list-style-type: none"> Monitoring and reporting has been impacted by the COVID-19 pandemic, including the loss of One Toronto Gaming's Community Employment Specialist. <p>One Toronto Gaming provided an annual report for 2020. The website for the Rexdale – Casino Woodbine Community Benefits Agreement, will be updated in the first quarter of 2021 with the progress towards achieving targets.</p>

Requirement	Summary	Achievements to Date
Governance	Establish three committees to be responsible for accountability, transparency and delivery of the Agreement.	<ul style="list-style-type: none"> • The following three oversight bodies are currently in place: • The Community Steering Committee (convened by the City of Toronto); • The Casino Woodbine Responsible Gambling Oversight Committee (convened by the Ontario Lottery and Gaming Corporation); and • The Employment and Labour Market Advisory Working Group (convened by One Toronto Gaming). <ul style="list-style-type: none"> • Despite the disruptions from COVID-19, the governance structure remains in place and active.

Additional Information on Progress on Targets and Conditions

One Toronto Gaming was on track to meet the targets and conditions of the Rexdale – Casino Woodbine Community Benefits Agreement in 2019 – 2020. However, the COVID-19 pandemic has had severe impacts on gains previously made and led to significant lay-offs in 2020 due to government-mandated closures to prevent the spread of the virus. In response to public health guidelines and provincial measures, Casino Woodbine had to suspend operations on March 16, 2020. It reopened with significant operating restrictions on September 28, 2020, but was shut down again on October 9, 2020 as the province implemented a modified Stage 2 of its COVID-19 reopening framework for Toronto³⁸. Casino Woodbine planned to reopen on November 14, 2020, with all of the required modifications; however, on November 10, based on an order from Toronto's Medical Officer of Health, Casino Woodbine will remain closed. The order will be in place for 28 days³⁹. As of November 23, Toronto casinos and gaming establishments were included in a list of closures due to a further "lockdown" for a minimum of 28 days.

As required by the Rexdale – Casino Woodbine Community Benefits Agreement, One Toronto Gaming provided an annual report to the City of Toronto on October 26, 2020. A summary of progress and COVID-19 impacts is included below. The website for the [Rexdale – Casino Woodbine Community Benefits Agreement](#), will also be updated in the first quarter of 2021 with the progress towards achieving targets.

Child Care Centre

³⁸ One Toronto Gaming – Casino Woodbine: Community Benefits Agreement Annual Report 2020.

³⁹ [Class Order](#) made pursuant to Section 22(5.0.1) of the Health Protection and Promotion Act. Friday, November 13, 2020.

In 2018, One Toronto Gaming made a contribution of \$5 million towards the development of a new child care centre that will benefit Casino Woodbine employees and local residents. The City of Toronto's Children's Services Division received a Letter of Credit for the design and construction of the child care centre as outlined in the Rexdale – Casino Woodbine Community Benefits Agreement.

To date, Children's Services continues to work with a commercial broker to identify available space that meets the legislative requirement for child care spaces under the Child Care and Early Years Act, 2014. As part of the Rexdale – Casino Woodbine Community Benefits Agreement, the child care centre must serve employees of Casino Woodbine and the local community. The search for a location is limited to the Woodbine Local Area⁴⁰. Additionally, the following key considerations need to be factored in the selection of a space when establishing adequate child care locations: (1) ongoing building operating costs and (2) ease of access to the child care centre (for example, distances to nearest bus routes and adequate interior and exterior spaces)⁴¹.

Despite its best efforts, Children's Services is facing significant challenges in finding a suitable location. The defined geographic area for the development of the child care centre is designated as Employment Areas. This limits the ability to find suitable space within the Woodbine Local Area, mostly to the north and north-east of Casino Woodbine. Children's Services is exploring options to partner with property owners within this focused geographical area and currently following up on any suitable leads.

Local and Social Hires

As part of the requirements of the Rexdale – Casino Woodbine Community Benefits Agreement, One Toronto Gaming is required to source 40 per cent of new hires through local and social hiring by 2022, of which at least 20 per cent of these hires must be local (meaning that at least 20 per cent of new hires must reside within a 7 kilometre radius of Woodbine). Youth hiring, and in particular youth who are also members of equity-seeking groups, is to be prioritized. Additionally, in the first two years of expanded gaming, at least 40 per cent of total employees are required to be employed full-time with a minimum of 35 hours per week. This requirement increases to 50 per cent of employees with full-time status with a minimum of 35 hours after the first two years⁴².

Prior to COVID-19, One Toronto Gaming was making progress toward these targets. Casino Woodbine had 827 employees when One Toronto Gaming assumed control of operations in 2018. Since the Rexdale – Casino Woodbine Community Benefits Agreement came into effect, One Toronto Gaming had hired an additional 1,653 new employees on top of the initial 827 members at the beginning of the pandemic.

⁴⁰ The boundary of the [Woodbine Local Area](#) is: Steeles Ave to the North, Kipling to the East, Dixon Road to the South and Highway 27 to the West. It is approximately a seven kilometre radius and it is comprised of the following four postal codes: M9P, M9V, M9R, and M9W. These postal codes capture four Neighbourhood Improvement Areas: Mount Olive-Silverstone-Jamestown, Elms-Old Rexdale, Kingsview Village-The Westway, and Thistletown-Beaumont Heights, as well as the communities of Rexdale-Kipling, and West Humber-Clairville.

⁴¹ The selection of a space can happen either through new construction or re-purposing of an existing facility.

⁴² [Casino Woodbine Community Benefits Agreement](#).

Accounting for turnover, One Toronto Gaming had 1,798 active employees in March 2020, with more expected⁴³.

Of the 1,653 new hires since 2018:

- 49 per cent (816 individuals) self-identified as a social hire⁴⁴.
- 11 per cent (176 individuals) were local hires⁴⁵.

Social hires are identified through a voluntary Personal Disclosure Form that new hires are asked to complete as part of their onboarding. Social hires are further broken down into the following categories compared to the 1,653 new hires (representation by Indigenous community and equity-seeking group may be higher as 60 new hires chose not to self-disclose):

- Women: 19 per cent (313 individuals);
- Newcomer, Immigrant or Refugee: 19 per cent (308 individuals);
- Visible minority: 17 per cent (282 individuals);
- Youth: 13 per cent (219 individuals);
- LGBTQ2S: 2 per cent (31 individuals);
- Persons with Disabilities: 1 per cent (15 individuals);
- Indigenous: 0.5 percent (8 individuals); and
- Veterans: no one self-identified as a veteran.

On the requirement for full-time employment, of the 1,798 active employees in March 2020, 56 per cent were working full time, which exceeds the 40 per cent requirement for year two.

Accomplishments prior to COVID-19 were enabled by One Toronto Gaming's outreach activities and targeted employment planning and recruitment through the support of the City of Toronto's Employment and Social Services Division. Toronto Employment and Social Services plays a lead role in convening and liaising with a range of local community service agencies through the Employment and Labour Market Partners Working Group for the Rexdale – Casino Woodbine Community Benefits Agreement. As the Chair of this working group, Toronto Employment and Social Services coordinates activities with community partners, including the delivery of jobseeker employment preparation workshops, information sessions, job fairs and recruitment activities.

These events are intended to increase awareness of job opportunities at Casino Woodbine and prepare candidates to compete successfully for upcoming interviews for gaming positions. In addition to the work of the Employment and Labour Market Partners Working Group, Toronto Employment and Social Services works with One Toronto

⁴³ One Toronto Gaming – Casino Woodbine: Community Benefits Agreement Annual Report 2020.

⁴⁴ Social hires are determined through a voluntary Personal Disclosure Form that new hires are asked to complete to self-identify as a social hire during their onboarding. One Toronto Gaming indicates that virtually all of the 1,653 new hires were provided with the Form: 49 per cent (816 individuals) self-identified as a social hire; 47 per cent (777 individuals) did not identify as a social hire; and 4 per cent (60 individuals) explicitly chose not to self-disclose.

⁴⁵ Local hires are determined by employees postal codes provided as part of the payroll process.

Gaming, through their Community Employment Specialist, to reconcile hiring outcomes from joint recruitment events and activities. Table 2 provides a summary of the customized information sessions and workshops held by Employment and Labour Market Partners in 2020 at the Rexdale Hub and Crossways Employment Centre.

Table 2. Employment and Labour Market Partners Recruitment Events and Activities (January to April 2020)*

	Number of Events	Number Registered	Number Attendees
Completed	4	284	151
Cancelled due to COVID-19	4	N/A	N/A

* These events focused on preparing jobseekers for a March 31 interview event for gaming positions. The interview event was cancelled due to COVID-19 government-mandated closures.

As demonstrated above, One Toronto Gaming was making progress toward local and social hiring. However, as of October 1, 2020 there were only 90 active employees at Casino Woodbine as a result of government-mandated suspension of operations to prevent the spread of COVID-19⁴⁶.

Construction Hiring

The Rexdale – Casino Woodbine Community Benefits Agreement stipulates that a minimum of 10 per cent of the overall hours worked by trades and craftspeople will be apprentices or journeypersons hired through local or social hiring.

A total of 860 people have been working on the Casino Woodbine expansion since construction began in 2018⁴⁷. While construction ceased on April, 4 2020 when all non-essential construction was suspended by the Province as part of its COVID-19 containment measures, construction resumed on May 19, 2020. Since then, approximately 26 workers have been on site to ensure compliance with health and safety measures, with construction still underway throughout modified Stage 2 of the provincial government's COVID-19 reopening framework.

Of the 860 construction workers that have worked on the site since construction began:

- 1.5% (13 individuals) were local hires
- 27% (234 individuals) disclosed that they self-identified as a social hire⁴⁸.
- 16% (137 individuals) disclosed that they self-identified as youth.

⁴⁶ One Toronto Gaming – Casino Woodbine: Community Benefits Agreement Annual Report 2020

⁴⁷ This is a cumulative number of construction workers that have been on the site since construction began in 2018, meaning that not all 860 construction workers are on the site at the same time. Since the first quarter of 2020 (prior to COVID-19), approximately 180 workers worked on site at any given time.

⁴⁸ One Toronto Gaming indicates that virtually all 860 construction workers were provided with the Personal Disclosure Form: 27 per cent (234 individual) chose to disclose that they were a member of an equity-seeking group and 14 per cent (119 individuals) chose not to disclose.

Social hires are further broken down into the following categories compared to the 860 construction workers (representation by Indigenous community and equity-seeking groups may be higher as 119 construction workers chose not to self-disclose):

- Youth: 16 per cent (137 individuals);
- Visible Minority: 5 per cent (46 individuals);
- Newcomer, Immigrant or Refugee: 3 per cent (30 individuals);
- Women: 3 per cent (29 individuals);
- Indigenous: 1 per cent (9 individuals);
- Persons with Disabilities: 0.7 per cent (6 individuals);
- Veterans: 0.7 per cent (6 individuals); and
- LGBTQ2S: 0.5 per cent (4 individuals).

Increasing local and social hires for the construction jobs is a shared priority of the City and One Toronto Gaming. Unions are the main gateway for individuals from Indigenous, Black and equity-seeking communities to access construction opportunities that are created as a result of the expansion of Casino Woodbine. In collaboration with the City of Toronto, One Toronto Gaming plans to meet with existing unions and sub-contractors working onsite in 2021. The collaboration, which is currently in development, will seek to:

- Build unions' and sub-contractors' understanding of the local and social hiring requirements of the Agreement to bring people from equity-seeking groups into good construction jobs; and
- Strengthen connections between unions and community based programs to better support outreach to workers from equity-seeking groups to establish a skilled labour pool that can be tapped into for new construction hires (for example, enhancing outreach to post-secondary institutions and community based programs that support communities surrounding Casino Woodbine).

Supply Chain Diversity

The Rexdale – Casino Woodbine Community Benefits Agreement includes a target of 10 per cent in annual non-construction procurement through Local and Diverse Suppliers except for specialized items that are used in the gaming industry, such as gaming devices and technology⁴⁹.

At this time, it is not possible to fully track and report on progress toward supply chain diversity in the Woodbine Local Area. This is due to challenges in establishing tracking methodologies on local and social procurement. For example, data is collected using

⁴⁹ A diverse supplier is a business that is certified by a supplier certification organization to be 51% or more owned, managed, and controlled by Indigenous persons or persons belonging to an equity-seeking community including, but not limited to, women, recent immigrants (10 years or less), racialized minorities, black Torontonians, persons with a disability including mental health, LGBTQ2S+, vulnerable youth, veterans, and persons with low income; or a social purpose enterprise whose primary purpose is to create social, environmental, or cultural value and impact, and where 51% or more of the full-time equivalent employees are participating in, or have completed, transitional employment training and experience economic disadvantage.

different formats and approaches by buyers, suppliers, and certification organizations. Additionally, it is challenging to access the lists of local and diverse businesses, especially for a small local area.

Despite the challenges, One Toronto Gaming indicated that it remains committed to meeting this target. A Supply Chain Diversity Policy and Procedures was developed in 2019 for non-construction procurement. As construction is completed and the new facility is opened there will be more opportunities for non-construction procurement⁵⁰. Further, the City of Toronto is working with One Toronto Gaming to address challenges in reporting on local and social procurement. Through the Community Benefits Framework, the City plans on building the back-end infrastructure to better support the implementation of community benefits initiatives, including data tracking and reporting processes, which is a challenge not isolated to One Toronto Gaming

In 2019, One Toronto Gaming engaged in baseline analysis of its spending on local and social procurement since 2018 as part of its efforts to address this challenge. Table 3 below provides a breakdown of spending based on One Toronto Gaming's baseline analysis since 2018.

Table 3. Social and Local Procurement – Toronto-area and Woodbine Local Area

	2018	2019	2020
Social procurement in the Toronto-area*	\$1.65 million, spread across 19 diverse suppliers	\$1.33 million, spread across eight diverse suppliers	\$645,000, spread across three diverse suppliers
Local procurement in the Woodbine Local Area**	\$105 million, spread across 24 local suppliers	\$125 million, spread across 30 local suppliers	\$116 million, spread across 26 local suppliers

* Social procurement: annual spend for procurement with suppliers who are members of supply chain councils. For Toronto area only; total annual spend for social procurement is not available for the Woodbine Local Area.

** Local procurement: annual spend for procurement with suppliers who fall within a 7 kilometer radius of the Casino Woodbine site, with spending flowing through the Woodbine Entertainment Group.

One Toronto Gaming has also developed and continues to implement a Supply Chain Diversity Policy and Procedures, as required by the Rexdale – Casino Woodbine Community Benefits Agreement, and has continues to have a dedicated team member for procurement in Ontario.

Community Access to Space

Once the new Entertainment Venue of the casino opens, community access to the space is to be made available at little or no costs for at least one large-scale event per month, or 12 large-scale events per calendar year. One Toronto Gaming remains

⁵⁰ In 2018 and 2019, One Toronto Gaming largely procured specialized gaming materials and construction services given focus on construction at this stage of the expansion.

committed to ensuring community access to the Entertainment Venue once construction is completed and it is operational. One Toronto Gaming plans on ensuring awareness of access to the venue through outreach to local stakeholders. A Community Access to Space Policy and Procedures will be developed to ensure appropriate space demand and availability ahead of the launch of the new Entertainment Venue.

Responsible Gambling Measures

One Toronto Gaming is required to maintain all existing and required Responsible Gambling measures in place at Casino Woodbine as required by the Ontario Lottery and Gaming Corporation and the standards enforced by the Alcohol and Gaming Commission of Ontario.

The Ontario Lottery and Gaming Corporation works closely with Casino Woodbine, and all casinos in Ontario, to support the deployment of and compliance with the PlaySmart program. PlaySmart is focused on the achievement of two goals (1) prevent player risk and harm, and (2) mitigate player risk and harm (where it may already be occurring). These goals are pursued by providing foundational player education, embedding Responsible Gambling programming into the play experience, identifying and reducing problem gambling risk, and supporting and referring players for help.

The Ontario Lottery and Gaming Corporation has confirmed that Casino Woodbine continues to implement the PlaySmart program in compliance with contractual Responsible Gambling requirements. Additionally, Casino Woodbine, through its parent company (Great Canadian Gaming Corporation), developed an extensive plan for re-opening in a way that is consistent with and promotes COVID-19-specific health and safety guidelines. Similarly, the Ontario Lottery and Gaming Corporation and the Responsible Gambling Council developed a plan for safely re-opening the PlaySmart Centres.

When it reopens, all existing Responsible Gambling regulatory standards will continue to apply, as will all Responsible Gambling contractual obligations between Casino Woodbine and the Ontario Lottery and Gaming Corporation. For example:

- Employee training programming and requirements, which are essential for ensuring venue staff are equipped to identify and respond to players in need;
- Tracking and reporting of responsible gambling red flags; and
- The PlaySmart Champion program.

Negative Impacts of Expanded Gambling

One Toronto Gaming is required to work with the Responsible Gambling Oversight Committee and Toronto Public Health to identify any negative impacts of expanded gaming and implement mitigating measures.

The Casino Woodbine Responsible Gambling Oversight Committee was scheduled to have its first meeting of the year on March 18, 2020, but it was postponed at the City of Toronto's request, in light of the emerging crisis posed by the COVID-19 pandemic.

In advance of the Community Steering Committee in September, the Responsible Gambling Oversight Committee resumed its meeting schedule on September 16, 2020 and the second and final meeting of the year occurred on November 4, 2020.

Building on work begun in 2019 to identify potential indicators of community level harms, the Ontario Lottery and Gaming's Social Responsibility department is exploring a number of opportunities that will continue to support the Responsible Gambling Oversight Committee's goals, including:

- Building on extensive efforts in 2019 to engage the Rexdale community to deliver education and awareness initiatives;
- Developing stronger referral relationships between Casino Woodbine and local treatment providers; and
- Collaborating with Rexdale's community organizations to measure the effects of Casino Woodbine's expansion.

Monitoring and Reporting

One Toronto Gaming is required to report quarterly and annually on its progress in meeting the targets and requirements of the Rexdale – Casino Woodbine Community Benefits Agreement, including quarterly reports on the Employment and Labour Market Advisory Working Group.

Monitoring and reporting has been impacted by the COVID-19 pandemic. As noted throughout this progress update, the employment gains that we made from 2018 up until March 2020 have been significantly impacted by government-mandated suspension of operations. Additionally, One Toronto Gaming's Community Employment Specialist position, which acted as a liaison and subject matter expert on reporting between Woodbine Casino and the City of Toronto, was lost due to COVID-related layoffs. While One Toronto Gaming intends to re-fill the position, the loss of this position, on top of the disruptions from the pandemic, has impacted continuity in reporting. Despite the challenges, One Toronto Gaming submitted its 2020 Annual Report to the City of Toronto in November 2020.

Governance

Three oversight bodies are responsible for accountability, transparency and delivery of the targets and requirements of the Rexdale – Casino Woodbine Community Benefits Agreement are being met. They are:

- The Community Steering Committee (convened by the City of Toronto);
- The Casino Woodbine Responsible Gambling Oversight Committee (convened by the Ontario Lottery and Gaming Corporation); and
- The Employment and Labour Market Advisory Working Group (convened by One Toronto Gaming).

At the onset of COVID-19, the scheduled meetings of these oversight bodies were cancelled, with major disruptions in usual business. Despite the disruptions, the governance structure remains in place and active, with the Community Steering

Committee and the Casino Woodbine Responsible Gambling Oversight Committee have begun to reconvene since September 2020. One Toronto Gaming expects to reconvene the Employment and Labour Market Advisory Working Group in 2021.

City of Toronto's Share of Gaming Revenues

Since the adoption of the Rexdale – Casino Woodbine Community Benefits, the City of Toronto has received the following as a share of gaming revenue through the Ontario Lottery and Gaming Corporation Municipal Contribution Agreement.

See Table 4 below on the City of Toronto's gaming revenue from 2018 to 2020.

Table 4. City of Toronto Gaming Revenue (2018 – 2020)

	2018	2019	2020
City of Toronto Gaming Revenue from Casino Woodbine	\$19.2 million	\$26.7 million	\$3.1 million*

* Revenue for Q1 2020 (Jan 1 – March 31) only. No revenue payments in Q2 and Q3 2020 (April – September) as a result of Casino Woodbine closures due to government-mandated suspension of operations to reduce the spread of COVID-19.

Next Steps: Recovery and Rebuild

Despite the challenges and uncertainty from COVID-19, One Toronto Gaming, the City of Toronto and other stakeholders remain committed in their efforts to meet the targets of the Rexdale – Casino Woodbine Community Benefits Agreement.

The pandemic is a test to the resilience of the 20-year Rexdale – Casino Woodbine Community Benefits Agreement and the commitment of all parties involved, including the City of Toronto, One Toronto Gaming, Ontario Lottery and Gaming and Rexdale community partners. Moving forward, opportunities to leverage engagement with the construction sector and community partners will be explored in Casino Woodbine reopening plans and to ensure that the Rexdale – Casino Woodbine Community Benefits Agreement supports Rexdale and Toronto’s recovery and rebuild efforts.

ATTACHMENT 7

Update Report: Imagination, Manufacturing, Innovation and Technology Program

The Imagination, Manufacturing, Innovation and Technology program offers an incentive to landowners to build or expand places of employment in targeted economic sectors. The incentive works by granting back a portion of the municipal property tax applied to the assessment increase that results from new construction or renovation. The program was designed to encourage development of non-residential land that would not have otherwise occurred. Eligible developments can benefit from a grant of up to 70 per cent of the increase in the municipal taxes attributable to the eligible development over a 10-year period, and up to 77 percent if combined with Brownfield Remediation Tax Assistance.

The Imagination, Manufacturing, Innovation and Technology program was adopted by City Council in 2008. Although this was prior to the development of the Community Benefits Framework, the Imagination, Manufacturing, Innovation and Technology program included a similar principle that significant investment subsidized by the City of Toronto should be contingent on commitments to creating employment opportunities for Toronto residents. From its first iteration, Imagination, Manufacturing, Innovation and Technology included a Local Employment Requirement that all approved applicants agree to work with City staff to develop an "employment plan that will identify opportunities for local hiring and/or training and document how the applicant or property user will utilize City-endorsed or sponsored employment programs." This requirement spans the full 10-year term of the incentive. As the Imagination, Manufacturing, Innovation and Technology incentive is a grant to property owners, which is often passed through to tenants, the employment requirement seeks to engage property owners along with any tenant employers.

Updated Local Employment Requirement (Points-Based System)

Despite the employment requirements in place for Imagination, Manufacturing, Innovation and Technology approved projects, it has been challenging for City staff to track and evaluate outcomes that could be specifically attributed to local employment plans. In 2018, as the Community Benefits Framework was being developed to include more specific goals for residents of communities where significant City investments were being made, City Council directed staff in the Economic Development and Culture division to consider how the Imagination, Manufacturing, Innovation and Technology Local Employment Requirement could be improved to deliver and document improved outcomes in three areas: jobs and training in building construction; less precarious employment for building maintenance workers; and more participation among Imagination, Manufacturing, Innovation and Technology property tenants in City-supported employment programs.

Informed by extensive consultation, Economic Development and Culture staff proposed a points-based system that was approved as a pilot program by Council in June 2019. Owners of buildings receiving the Imagination, Manufacturing, Innovation and Technology property tax rebate would need to work with building tenants to advance local employment opportunities. And under the new system, they would now have the flexibility to choose from various measures with more value given to practices and

commitments with a more significant impact. Projects with higher construction values would be required to earn more points.

The new points-based system was also informed by lessons learned from various community benefit agreements and documented in various staff reports related to the Community Benefits Framework. Eligible activities include adopting a living wage policy and/or a social procurement policy; funding apprenticeships and work placements; participation in City endorsed recruitment events and mentorship programs; and providing funding for City-endorsed local workforce development organizations. The points-based system is intended to be flexible and easy to navigate for Imagination, Manufacturing, Innovation and Technology recipients and more accountable as a result of being quantifiable. Staff expected improved employment outcomes in Imagination, Manufacturing, Innovation and Technology buildings including:

- Clarification of program requirements and improved compliance levels for current and future recipients;
- Increase in hiring and training activities and outcomes for City-endorsed programs targeting to Indigenous, Black and equity-seeking groups;
- Reduction of administrative burden for City staff;
- Formation of long-term relationships between community partners and companies; and,
- Increased awareness of City policies/programs to support training and employment.

Summary of Achievements

Since 2008, Imagination, Manufacturing, Innovation and Technology approved projects have added over 16 million square feet of employment space resulting in over 60,000 new and retained jobs to the city's employment base. More detailed achievements in terms of how employers were engaging job seekers and workforce development partners were difficult to track prior to the implementation of the new-points based system. Further, as this new system is still in its pilot phase, a comprehensive summary of achievements cannot yet be compiled.

As of September 2020 there have been at least 55 approved Imagination, Manufacturing, Innovation and Technology Program applicants that have been introduced to the new process of achieving points through the pilot program. Of these, approximately 30 have submitted employment plans. Although early returns were promising, many recipients and tenants have communicated to the City their difficulties in achieving the goals as set out in their plans due to restrictions related to the COVID-19 pandemic. Despite early success in working with applicants and reviewing complete submissions, the COVID-19 related delays in implementing employment plans do not yet allow for a complete analysis of the pilot program.

Although Economic Development and Culture staff had been directed to report back on the pilot results and provide recommendations on the implementation of the Local Employment Requirement by the end of 2020, a recent staff report recommended extending the pilot until 2022. This recommendation has been approved by Council. As more Imagination, Manufacturing, Innovation and Technology Program projects move

forward in the pilot system, staff will develop a much clearer picture of employment impacts including more detailed analysis of outcomes.