



Community Benefits Advisory Group

Quarterly Meeting



September 24th, 2024

Agenda

Purpose

1. Land & African Ancestral Acknowledgements
2. Introductions: In the chat
3. Chair updates
4. Update on FIFA World Cup 2026- Community Benefits Plan
5. Presentations from Imagination Manufacturing Innovation & Technology Program
6. Presentation & update on Community Benefits Naming
7. Presentation on SPP November Report
8. Wrap-up



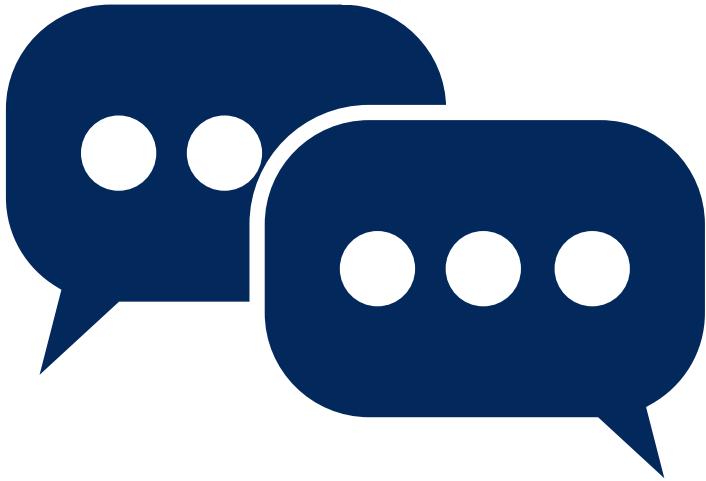
Land Acknowledgement

"We acknowledge the land we are meeting on is the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Metis peoples. We also acknowledge that Toronto is covered by Treaty 13 with the Mississaugas of the Credit."

African Ancestral Acknowledgement

"The City of Toronto acknowledges all Treaty peoples – including those who came here as settlers – as migrants either in this generation or in generations past – and those who came here involuntarily, particularly those brought to these lands as a result of the Trans-Atlantic Slave Trade and Slavery. We pay tribute to those ancestors of African origin and descent."

Introductions



Please introduce yourself in the chat with:

1. Your name
2. Your organization
3. An emoji to describe how you are feeling today

Chair Updates

1. CBF Staff Report - Deferred to next year
2. Advisory Group membership renewals



FIFA

Community Benefits Framework Name Project

Taylor Newberry Consultants

Community Benefits Name Report

Project Purpose: To analyze the implications of modifying the name of the “Community Benefits Framework”

- In the context of the Framework, the term “community benefits” refers to a range of outcomes that may be included as conditions when the City buys, builds, provides financial incentives or other unique opportunities where community benefits can be explored
- In the broader community benefits ecosystem, the term is used to refer to different things, at times causing confusion about the meaning of the term both internally at the City of Toronto and externally (e.g., community benefits charges, community benefits clauses, community benefits agreements, etc.)
- Because of this confusion, The City of Toronto initiated a process to explore the implications of modifying the name of the Community Benefits Framework

Process: Engagement with Community Partners

TNC consulted 48 individuals from the community benefits ecosystem

The City of Toronto contracted TNC, and between February and May 2024 TNC met with:

- Staff from anchor agencies
- City staff from 10 divisions and units
- Community partners
- Contractor associations
- Developers
- Unions
- A Community and Labour Coalition
- A City Councillor

A jurisdictional scan was also completed to see how similar language is used in other organizations, and how the term fits in the broader Canadian context

Findings

The consultation process validated assumptions held by the CBU

Consultations confirmed the CBUs initial understanding that there is significant confusion with the name of the Framework.

- **Participants shared polarized viewpoints**; some strongly advocated for a name change, others were in opposition
- **Some participants were not aware the name has caused confusion** where others faced frequent challenges in their work because of confusion surrounding the name
- Agreement that **the ideas behind the Framework are important**

Findings.

There was varied opinion on how well the name of the Framework resonates among players in the community benefits ecosystem

During consultations, participants highlighted three, interconnected problems around the name:

- 1. A lack of clarity around terminology:** There is confusion around who is included in “community”, and some participants felt like the use of the term “Framework” is unclear
- 2. The purpose and scope of the Framework is not universally understood:** Players in the community benefits ecosystem do not always understand the breadth of the work covered, or misunderstand what specifically the Framework does and does not cover
- 3. The relationship of the Framework to other initiatives is not always clear:** There are challenges distinguishing the Framework from community benefits charges, social procurement and work external to the City of Toronto

Findings..

The term “community benefits” often requires additional explanation

- A detailed description of the work was often required, stating specifically what community benefits are and what they are not in the context of a particular conversation
- Confusion around the term has led to some people to avoid using it altogether

Findings...

Implications of modifying the name 'Community Benefits Framework'

Risks associated with modifying the name

- Generation of fear and mistrust in the community
- Creating additional confusion because the term is already recognized in the community benefits ecosystem
- Losing the momentum of the community benefits movement and losing connection to the broader movement and its history

Findings....

Implications of modifying the name 'Community Benefits Framework'

Benefits associated with modifying the name

- Promotion of stronger buy-in from employers and developers
- Better ability to distinguish the Framework from other initiatives, like community benefits charges
- Increased clarity around terminology resulting in increased momentum of the community benefits movement; less time might be required to clarify the distinction between the use of the term “community benefits”

Recommendations and Next Steps

Clarify the purpose and messaging of the Framework

Step 1: Clarify the purpose and messaging of the Framework, including...

- Associated terminology (e.g., what types of benefits are in scope)
- Distinctions between different types of cross-player agreements about community benefits (i.e., community benefits agreements vs. agreements with community benefits clauses)
- The various ways of procuring resources to invest in community benefits (i.e., voluntary community benefits vs. community benefits charges)
- How the Framework interacts with other City divisions and initiatives
- Aspects of implementation (e.g., how to track targets and report progress)
- The distinction between the CBU and the Toronto Community Benefits Network

Recommendations and Next Steps.

Explore the possibility of modifying the name of the Framework

Step 2: Consider enhancing the name of the Framework through a name amendment that helps to distinguish it from other initiatives

- There was no clear consensus on enhancing the name, but it was evident that:
 - The current name causes confusion
 - The term “community benefits” was generated by the community and should remain an essential component of the name to reflect the guiding principles of the Framework
- Consultations generated potential words to be included in the name of the Framework. For example words related to: equity, workforce development, employment, outcomes and partnerships

IMIT Program

Economic Development and Culture Division

IMIT Program

Background

The City of Toronto's Imagination, Manufacturing, Innovation, Technology (IMIT) Property Tax Incentive program was established in 2008 in response to slow employment growth in the City compared to other Greater Toronto Area Municipalities.

The IMIT Program was designed to:

- Support Toronto's key industry sectors;
- Promote employment growth and economic development;
- Help address the imbalance in commercial and industrial tax rates.

IMIT | By the Numbers

Applications Approved: **74**

Estimated Total \$ Value of Grants: **\$738 Million**

Total New Employment GFA: **19,656,288 Sq/Ft**

Total Value of Construction Investment: **\$5.8 Billion**

Estimated Number of Jobs Created/Maintained: **94,202**



Local Employment Requirement

Since the program was created in 2008, successful applicants have been required to meet a Local Employment Requirement to receive the IMIT incentive over the 10-year payment schedule. The requirement was initially designed to ensure employers occupying IMIT-supported developments promote participation in local hiring initiatives during the incentive period.

The applicant or user of the property must agree to collaborate with the City to promote local employment. This will include a local employment plan that will identify opportunities for local hiring and/or training and document how the applicant or user of the property will utilize City-endorsed or sponsored employment programs. It is expected that the employment plan will span the term of the incentive and that outcomes will be tracked and documented.

Points-Based System Pilot

In June 2019, a points-based model was implemented to provide greater clarity and assist recipients of the IMIT Program to meet the Program's Local Employment Requirement (LER).

Through the points-based system, companies are provided with guidance on the level of activity required for the property (inclusive of tenants). I.e., 10 points per \$1M of eligible construction value.

Activities are:

- Completed by a property owner and property user
- Partnered, or company-led
- Have a numeric indicator (e.g., number of hires, aggregate increase in wages)
- Have an associated points value or percentage (of total points)

Activities | Points-Based System Pilot

Example: Office Building (new construction)

400,000 sq/ft. \$136 million construction value. Property owner and seven property users (tenants) contributing to meet the requirements. Estimated IMIT development grant is \$12 Million.

1360 points required over 10-year grant period or 136 points per year would be required.

Activity	Points Value (per activity)	Activity Level	Total Points
Implement new living wage policy	40% of total	1 policy	544
Work placements for building maintenance	3	10 placements	30
Develop equitable hiring policy	20% of total	1 policy	272
Develop new social procurement policy	10% of total	1 policy	136
Contracts shared with diverse suppliers	3	30 contracts	90
Contracts awarded to diverse suppliers (>\$10K)	1	10 contracts	10
Hourly participation in industry mentorship program	0.1	200 hours	20
Provide access to event space for training/networking	1	24 events	24
Funding to City-endorsed partner(s) (\$2500 increment)	1	\$585,000	234
TOTAL			1360

Results | Points-Based System Pilot

2019 – 2023 (36 Grant Recipients)

- Attended 83 Job Fairs, interviewed over 795 candidates and hired 161 applicants
- Provided over \$3.1 million in funding to City-endorsed workforce development partners
- Provided over 1800 hours of mentorship
- 14 companies (owners and tenants) have certified as a living wage employer and have raised the pay of 78 employees to date

...and more!

IMIT has evolved in Response to Market Conditions

The IMIT Program's third comprehensive review was launched in 2022/2023 with an eye to determine if the programs objectives were being achieved in an efficient manner given:

- The magnitude of grant money being expended;
- An analyzed investment and city-building context shaped by the COVID-19 pandemic (e.g., Office Market);
- Emergent markets and technology changes (e.g., Hybrid Working);
- Provincial policy changes among other factors.

Results of 2022/23 IMIT Program Review

In February 2024, EDC and Planning received direction from City council to bring forward a new CIP for a financial incentive program that will replace IMIT, and that would at minimum:

- Remove Office Eligibility (with certain exceptions)
- Reduce the quantum and term of grants to 60% of the municipal tax increment over 5 years (i.e., ½ of what it is now)
- Include new criteria to assess grant applications
- **Include an improved local employment plan requirement**
- **Include mechanisms to support City goals related to sustainability, job quality and access, and community wealth building (e.g., through the enhanced grant stream)**



Local Employment Requirement | What's Next?

Maximizing City levers to create social and equitable impact in Toronto

Economic Development and Culture will be partnering with the City's Community Benefit's Unit to improve and administer the LER.

As part of the LER, City Staff will be:

- Hosting LER information sessions
- Offering 1-on-1 sessions with approved property owners and their tenants
- Maintaining a list of (local) employment activities (permanently implement the points-based system)
- Maintaining a list of City-endorsed initiatives and partners
- Facilitating connections to local employment and training providers
- Assisting property owners and tenants with the creation of a Local Employment Plan
- Collecting data and evaluating program performance via an annual survey
- Creating "enhanced" options that result in higher grant amounts for projects that support City Objectives

New Program CIP By-law and an improved LER will be considered by Council in December 2024.



Questions and/or Feedback?

Contact:

Julia.Rigato@toronto.ca

Social Procurement Program and Policy

**Community Benefits Advisory Group
September 24, 2024**

Agenda.

Overview of Social Procurement

Social Procurement in Practice

Social Procurement in Practice

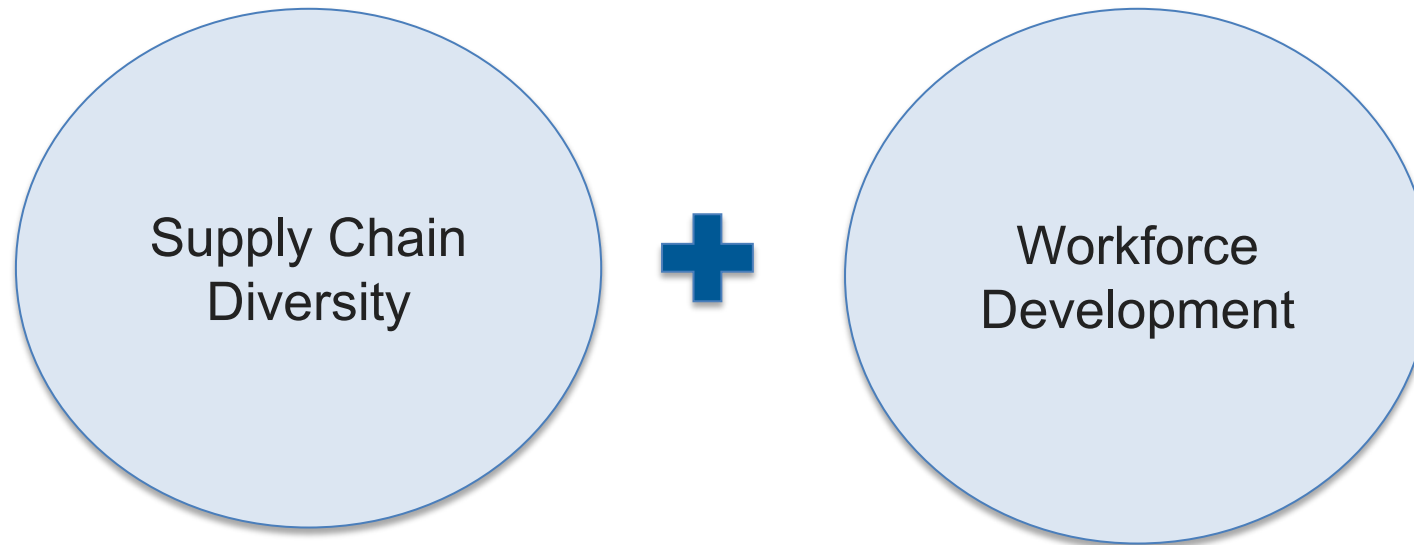
Policy and Program Review

Next Steps

Overview of Social Procurement

What is Social Procurement?

Social procurement leverages the City's purchasing power to drive inclusive economic growth through two key components:



Evolution of Social Procurement

Social Procurement Framework established.

2013

2015

Poverty Reduction Strategy adopted, with social procurement as a key action.

Social Procurement Policy adopted.

2016

Confronting Anti-Black Racism Strategy adopted, including an action on social procurement.

2017

Evolution of Social Procurement, cont.

Community Benefits (CB) Framework adopted, incorporating social procurement as a CB initiative.

2019

2021

Council direction to conduct a **five-year review** of the Social Procurement Policy; incorporate a **10% equity target**.

Reconciliation Action Plan adopted, including an action on social procurement.

2022

2023

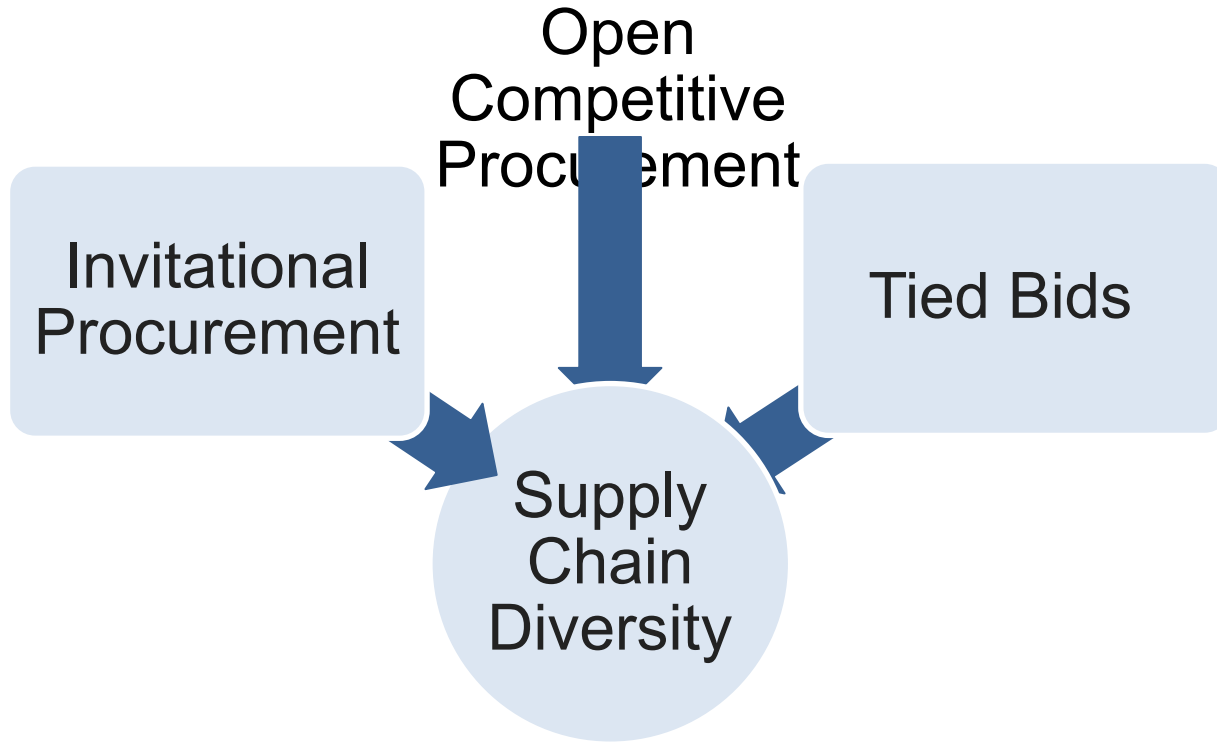
Council direction to co-develop an **Indigenous Procurement Strategy**.

Social Procurement and the Community Benefits Framework

- The **Community Benefits Framework (CBF)** guides various approaches to creating equitable social and economic opportunities through City initiatives.
 - The Community Benefits Unit in the Social Development, Finance and Administration Division oversees the Framework.
- The Purchasing and Materials Management Division manages the **Social Procurement Program**, one of multiple Community Benefits initiatives.

Social Procurement in Practice

Supply Chain Diversity



Supply chain diversity is achieved through three policy mechanisms:

- Invitational procurements: one Indigenous, Black or diverse supplier must be invited to bid, where feasible
- Open competitive procurements: points are awarded to certified Indigenous, Black and diverse suppliers
- Tied bids: award is to an Indigenous, Black or diverse supplier

Workforce Development

- Projects over \$5 million assessed for suitability, reach, volume and feasibility
- Mandatory intake for construction projects over \$50 million
- When a project is selected, targets are set in five activity areas

Non-Construction Employment

Registered Apprenticeships

Training and Work-Based Learning

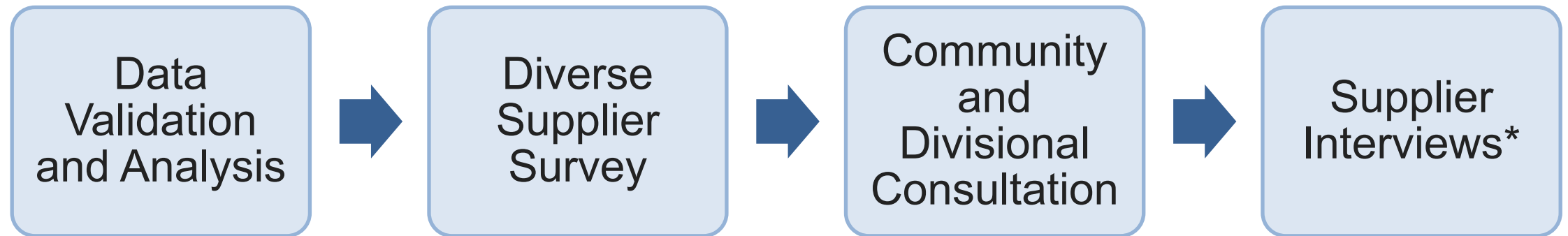
Subcontracting to Indigenous, Black and Diverse Suppliers

Other Employment-Related Activities

Policy and Program Review

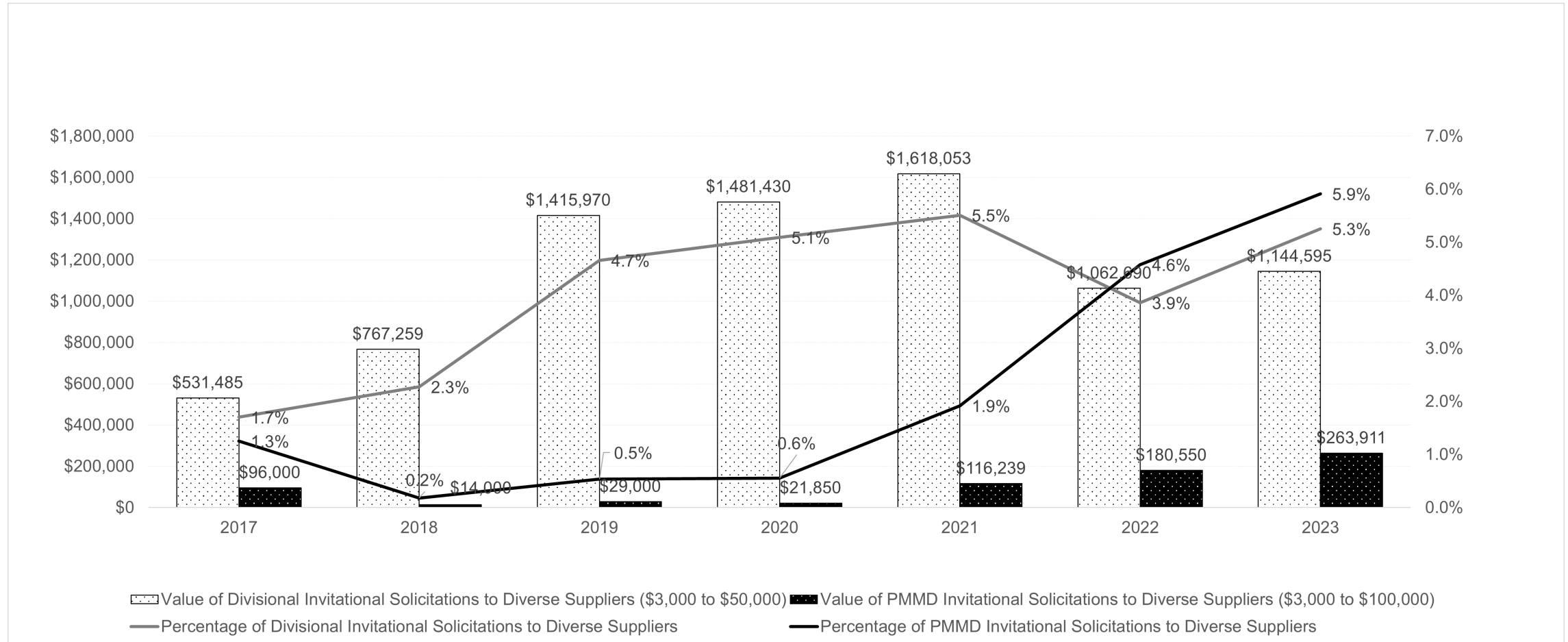
Policy and Program Review: Method

- In 2021, City Council directed the Chief Procurement Officer to conduct a five-year review of the Social Procurement Policy to identify successes and improvements needed in the Policy.
- PMMD conducted the review, covering 2017 to 2021, to determine where improvements are needed to maximize impact and achieve social value.



*non-diverse suppliers with workforce development contract terms

Supply Chain Diversity Achievements (2017-2023)



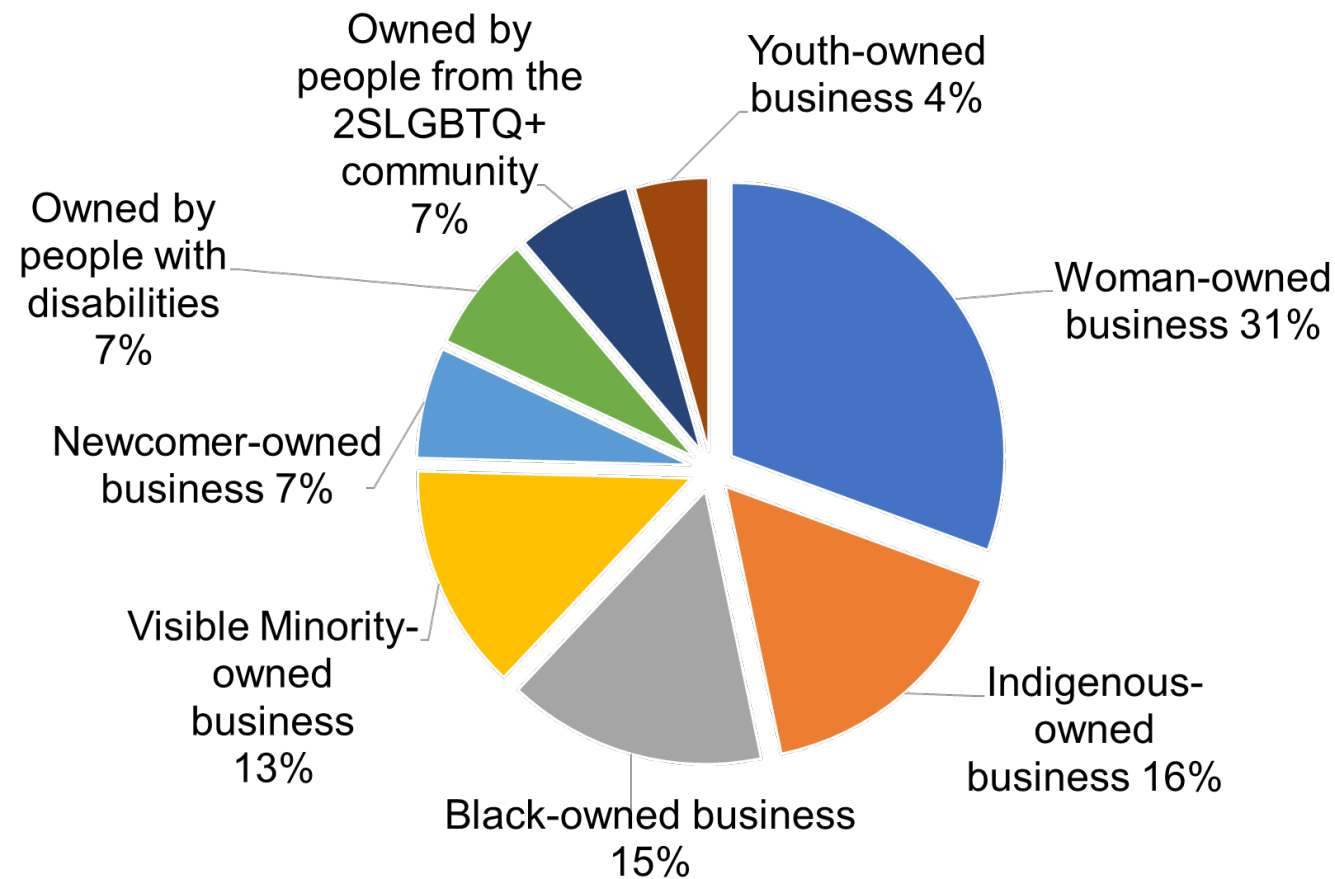
Workforce Development Achievements (2017-2023)



- 78 projects included workforce development
- Created 100 employment opportunities
- Provided 194 subcontracting opportunities with over \$10.4 million in spend with certified Indigenous, Black and diverse suppliers
- Facilitated suppliers to participate in 188 other employment-related activities

Social Procurement Business Survey

- In October 2022, PMMD released a Social Procurement Business survey to understand the barriers Indigenous, Black and diverse suppliers face when doing business with the City of Toronto.
- 368 businesses responded to the survey – 92% being small businesses.



Social Procurement Business Survey, cont.

What barriers exist in the City's procurement process?

- Procurement process is complex and difficult to understand
- Certain solicitation requirements are challenging for small businesses
- Requirement for diverse supplier certification excludes some Indigenous, Black and diverse suppliers

What supports should be developed to help suppliers navigate the procurement process?

- More training, including training in different formats (i.e., videos, workshops)
- Better communication, including dedicated staff for outreach and system navigation

Community, Divisional and Supplier Engagement

Lack of awareness and understanding of Social Procurement Policy

Invitational procurement process

Target setting for workforce development

Internal and external factors contribute to low achievements

Limited number of suppliers registered with the City

Labour shortages; training and education barriers

Increased collaboration can enhance achievements

More discussion with businesses and job seekers

Union pathways can be strengthened

Next Steps

Roadmap to Enhanced Social Procurement

Report to Council with results of review and Phase 1 recommendations.

2024

2025

Corporate and community engagement.
Implementation of Phase 1 updates.

Report to Council with results of engagement and Phase 2 recommendations.

2026

2027

Ongoing engagement.
Implementation of Phase 2 recommendations.

Proposed Phase 1 Recommendations: Engagement

- Broad business and community engagement is required to develop recommendations from the review findings.
 - An Advisory Committee with representation from community and business will be formed in 2025.
 - Community engagement sessions will also be planned with input from the Advisory Committee.

Proposed Phase 1 Recommendations: Policy and Program

- Policy enhancements for supply chain diversity will be recommended at Executive Committee on December 10, 2024, including:
 - Expand social procurement beyond supplier certification; and
 - Define Social Enterprises separately from Diverse Suppliers.
- Program enhancements for workforce development are also proceeding under the Chief Procurement Officer's authority, including:
 - Updating solicitation templates to clarify requirements, particularly around target-setting.

Expand Social Procurement Beyond Supplier Certification

Recommendation

- Redefine Diverse Supplier in the Social Procurement Policy to **include organizations, associations and Chambers of Commerce that represent Indigenous, Black and diverse suppliers**, beyond the current supplier certification organizations*.

Objective

- Increase the number of Indigenous, Black and diverse suppliers that are available to do business with the City; and
- Reduce costs and administration for Indigenous, Black and diverse suppliers by recognizing their current networks.

*Current supplier certification organizations are listed in Appendix 1.

Define Social Enterprises Separately from Diverse Suppliers

Recommendation

- Align the definition of Social Enterprise with Buy Social Canada's definition and **recognize Buy Social Canada certified social enterprises** in the Social Procurement Policy.

Objective

- Align with the current social enterprise landscape in Canada; and
- Increase the number of social enterprises that are available to do business with the City.

Definition: A social enterprise is a business that generates a significant portion of its revenue through the sale of goods or services, embeds a social, cultural or environmental purpose into the business, and reinvests 51% or more of profits into the social, cultural or environmental mission.

Contact
socialprocurement@toronto.ca

Appendix 1: Current Supplier Certification Organizations

The City is currently a member of 5 supplier certification organizations, which are non-profit organizations that certify diverse suppliers in Canada:

- Canada's 2SLGBTQI+ Chamber of Commerce (CGLCC)
- Canadian Aboriginal and Minority Supplier Council (CAMSC)
- Canadian Council for Indigenous Business (CCIB)
- Inclusive Workplace and Supply Council of Canada (IWSCC)
- Women Business Enterprises Canada Council (WBE Canada)

Wrap Up

- CBAG Renewal
- Next meeting: TBD

