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Re: Permanent Public Transit Funding Engagement

Community Benefits Ontario, a network of community benefits networks across the province, is writing to provide recommendations on the design and delivery of the federal permanent public transit funding.

Public transit is about more than just getting people from point A to point B - more importantly, it is about building greener, more inclusive and livable communities. The permanent public transit fund can be designed and delivered to achieve multiple policy objectives, such as improving housing affordability, addressing the growing need for climate resilience, and providing local economic benefits for those directly impacted by project construction.

Summary of recommendations

Canada is currently facing unprecedented social, economic, and environmental challenges with soaring costs of living, looming labour shortages, economic uncertainties and a climate change crisis. Permanent public transit funding presents a key opportunity to address these challenges. With such a huge investment in public transit, it is truly an opportunity of a lifetime - let us seize the moment and ensure the billions in earmarked money really work for communities that need them. We urge you to include the following recommendations in the design and delivery of the federal permanent public transit fund:

- 1. Fund and involve the community early in the project planning phase, working with local organizations;** Every project has the power of achieving various economic, social and environmental goals but this can only be achieved when local communities are meaningfully involved in the early planning stages.
- 2. Make Community Benefits Agreements a condition for all projects, initiatives and funding transfers under the new Permanent Transit fund;**
- 3. Work with community, labour and industry stakeholders to develop a framework for reporting on the implementation of Community Benefits Agreements as part of the Permanent Transit Fund;**
- 4. Include affordable housing targets as a condition for funding transfers under the new Permanent Transit fund;** Establish affordable housing expectations/targets (including deeply affordable housing) Identify surplus public lands resulting from transit infrastructure projects to accommodate building new affordable housing; provide funding to allow nonprofit housing providers and municipalities to build new permanently affordable housing units and

- 5. Establish an effective Federal-provincial-municipal partnership to facilitate design and delivery of projects, promote collaboration among orders of government, and ensure accountability.**

Community Benefit Agreements: a powerful policy tool to unlock economic, social and environmental benefits for communities across Canada

We propose Community Benefits Agreements (CBAs) as a proven and effective means to align public investments in transit infrastructure with government objectives on equity, diversity and inclusion and various economic, social and environmental policy goals. When done right, it is a solution that creates win-win solutions for all, including for the construction industry as it currently struggles to find skilled workers to meet the growing demand and impending retirements and labour shortages.

Community Benefit Agreements are negotiated agreements between a private or public development agent and a coalition of community-based groups. Examples of benefits include prioritizing a certain percentage of local hiring and training opportunities for individuals from equity seeking groups who face barriers to employment, purchasing goods and services from local suppliers, and funding for local amenities such as childcare or parks. Internationally proven, CBAs improve the well-being of communities, especially low-income and historically marginalized ones affected by transit development projects, through:

- Commitments to good jobs and prioritizing a certain percentage of local hiring and training opportunities for individuals from equity seeking groups who face barriers to employment
- Social enterprise ecosystem and social procurement initiatives
- Affordable housing, affordable commercial and anti-displacement initiatives, and
- Neighbourhood and environmental improvements such as daycare and recreational facilities
- Accountability and transparency during project planning, design and development through community involvement, oversight and public reporting

Recommendation #1: Fund and Involve community early in project planning stages, working with local organizations

Every project has the power of achieving various economic, social and environmental goals helping to contribute to community wellbeing and quality of life. This can only be achieved when local communities are meaningfully involved in the early planning stages of a project helping to identify and inform local priorities for economic, social and environmental benefits.

Community Benefits Agreements provide a platform for all stakeholders including community, labour, government and private sector to work collaboratively in achieving such goals. Community Benefit Networks advocating for and delivering community benefits already exist in a number of communities ([Peel](#), [Toronto](#), [Hamilton](#), [Windsor/Essex](#), [Ottawa](#), [Niagara](#) and [Vancouver](#)) to help organize and facilitate local communities engagement in the consultation processes. As every community's needs are different, these local coalitions must be brought to the table as early as possible in the planning stages to inform planning and investment decisions, identify measures to mitigate impacts associated with project construction on local communities, and to promote additional positive outcomes. To build the capacity of these local coalitions, part of the funding should be directed towards supporting these organizations to carry out fulsome community engagement.

For communities who do not already have these community benefit coalitions, the Government of Canada could support the effectiveness of community consultations by offering seed funding for the creation of such coalitions before the consultation process, and/or working with other nonprofits and community groups to meaningfully engage with local communities.

All transportation agencies and local governments should also be required to publicly report consultations with local communities on community benefits and provide public reports detailing how they are maximizing the return on investment by outlining commitment to economic, social and environmental benefits prior to contract award.

Recommendation #2: Include Community Benefits Agreements as a condition for all projects, initiatives and funding transfers under the new Permanent Transit fund.

In 2019, as part of the federal government's announcement of its historic investment in four new transit projects in Toronto, the Minister of Infrastructure and Communities [announced](#) commitments to ensure measures that maximize high quality jobs and benefits for local communities *"including through mechanisms such as Community Benefit Agreements with hiring targets of at least 10% for historically disadvantaged communities, equity-seeking groups, Black, Indigenous and people of colour, with possible higher targets based on an assessment of local representation."* We support and encourage the continued use of such approaches to ensure every taxpayer dollar involved in transit projects drives multiple positive outcomes

We strongly recommend the requirement of Community Benefits Agreements (CBAs) as a formal requirement for all funding for projects or direct transfers as part of the Federal Public Transit Funding to leverage the public transit investments to provide meaningful local economic benefits to communities, especially for those from marginalized communities.

The Windsor-Detroit Bridge project is being delivered under the auspices of a CBA and transit projects in Toronto are being delivered under a CBA framework signed between Metrolinx and the

Toronto Community Benefits Network (TCBN) in 2014. Large scale transit projects like the Eglinton Crosstown LRT and Finch West LRT have included commitments to community benefits by ensuring good jobs and opportunities for people from historically disadvantaged communities and equity seeking groups in neighbourhoods near the project. In addition, early community involvement and advocacy led to the transfer of public (Metrolinx) land for a future Community Hub & Centre for the Arts in Jane and Finch as part of the Finch West LRT project. Similar approaches have been adopted for the Hurontario LRT in Peel Region.

Best practices emerging from past CBA experiences indicate some key elements that must be included:

- **Collaborative process** - must ensure an open, collaborative and transparent process that involves community, labour, government and industry during the project planning phases to identify economic, social and environmental benefits that can be achieved.
- **Target setting** - Must establish clear targets for social procurement, local hiring from equity seeking groups, and training and apprenticeships and include these targets in project tenders and contracts. Targets related to community development multiplier considerations, such as housing, environment and local economic impacts must also be included. Contract should also include the requirement for a Community Benefits Plan to be established for the project.
- **Community Benefits Oversight Working Group** - all local governments and transit agencies must include a project specific Community Benefits Working Group including community, labour, government, selected contractor to oversee the CBA implementation.
- **Accountability mechanisms** - Regular updates, tracking, monitoring and public reporting of key performance indicators. Public reporting should be done at least once a year

Recommendation #3: Work with community, labour and industry stakeholders to develop a framework for reporting on the implementation of Community Benefits Agreements as part of the Permanent Transit Fund.

All project funding must have a reporting requirement that ensures key performance indicators on economic, social and environmental benefits are tracked, monitored and publicly reported for transparency. Regular reporting, consequences for failure to meet targets, and dispute resolution mechanisms are all necessary to deliver on the promise of CBAs as binding legal agreements.

Community Benefit Ontario (CBO) members and their allies are well positioned to partner with you and your Ministry on developing an effective CBA approach and reporting framework to build inclusive, equitable and sustainable communities, by applying and sharing our learnings and experiences from existing CBAs (e.g., Eglinton Crosstown LRT and Windsor Gordie Howe Bridge projects), the [Community Employment Benefits](#) program, municipal community benefits and social procurement policies and programs.

Recommendation #4: Include affordable housing targets as a condition for funding transfers under the new Permanent Transit fund

Canada is currently experiencing an unprecedented housing crisis, and the design of the federal public transit funding is critical to addressing this crisis. Public transit is closely connected to housing affordability - transit delivery, especially large-scale projects like the LRT and subways, often comes with substantive disruptions, displacement and gentrification of neighborhoods, negatively impacting the affordable rental stock. New transit projects often lead to rising property values and increased rent in the transit area, making the neighborhoods less affordable, especially for low income individuals and households. Developers purchasing the land in the transit area for high rise development projects can also squeeze out existing affordable housing units, their residents, and the nonprofits that serve them. At the same time, residents of affordable housing units are the most in need of easy access to public transit as it reduces transportation cost burden. Therefore:

- Measures must be taken to preserve housing affordability and ensure that communities, and the nonprofits that serve them, can remain in the community in the long-term.
- Affordable rental housing must be incorporated in market housing projects to accommodate lower income renters in transit-oriented neighborhoods.
- New affordable housing must be built in locations with good access to public transit as they are the ones who use them the most.

To ensure that the development of new transit projects actually serve the housing needs of communities, the Government of Canada should include the following affordable housing targets as a condition for funding transfers under the new Permanent Transit fund:

- Establish affordable housing expectations/targets (including deeply affordable housing) in conjunction with transit project planning, prior to the distribution of funding
- Identify surplus public lands resulting from transit infrastructure projects to accommodate building new affordable housing. Public dollars are often used for large amounts of land acquisition during transit construction. Therefore, the federal transit funding must be tied to commitments to use that public land for nonprofit, co-op or municipal social housing.
- Provide funding to allow nonprofit housing providers and municipalities to build new affordable housing units (nonprofit, co-op and supportive housing) in the neighborhood, and to purchase existing affordable housing so that it remains affordable permanently.

Recommendation #5: Establish an effective Federal-provincial-municipal partnership to facilitate design and delivery of projects, promote collaboration among orders of government, and ensure accountability.

Enforcement of the conditions set out in the funding is an imperative step to ensuring that the additional benefits laid out in the conditions are realized. To achieve this, a new accountability mechanism must be established. The federal government needs to recognize that its responsibilities for the transit investments do not end once the fund has been awarded and

distributed. Instead, there should be ongoing conversations and negotiations between the federal, provincial and municipal governments to ensure the conditions attached to the funding are carried out successfully.

An effective and collaborative federal-provincial-municipal partnership should encompass mutual influence, with a careful balance between synergy and respective autonomy, which incorporates mutual respect, equal participation in decision making, mutual accountability and transparency. The federal government needs to consider better mechanisms to hold provincial and municipal partners accountable, and also how it will be accountable to its provincial and municipal partners. As part of the Federal Public Transit Funding Program, provinces, municipalities and other entities that receive federal transit funding must be given a set of community development guidelines and training, and a set of reporting requirements that include goals, process and reporting. Non-compliance with a comprehensive plan for building community benefits should result in financial holdbacks or other measures that will force or recompense for non-compliance.

Conclusion

This consultation's section on "the Government of Canada's Vision for Public Transit" states that: "To build better, more affordable, sustainable, and inclusive communities, the Government of Canada must set and meet objectives such as creating good jobs, reducing greenhouse gas emissions, and addressing housing affordability." We share the government's goal of building a more inclusive, affordable and sustainable society, and we believe that embedding Community Benefits Agreements in the design and delivery of the permanent public transit funding is imperative. It ensures the government can leverage the dollars already being spent on transit to achieve multiple policy objectives, including improving housing affordability, addressing the growing need for climate resilience, and providing local economic benefits for those directly impacted by project construction.

The inclusion of CBAs can ensure equitable workforce and business opportunities for Black and Indigenous peoples, people of colour, women, persons with disabilities, veterans, vulnerable youth and newcomers. These approaches to infrastructure investments contribute to the federal government's environmental, economic and social policy objectives, while delivering world class infrastructure projects.

From:

BuySocial Canada
Toronto Community Benefit Network
Ontario Nonprofit Network
Ottawa Community Benefits Network
Peel Community Benefits Network
London Community Benefits Network
Hamilton Community Benefits Network