

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: Community Benefit Ontario

Organizations:

Buy Social Canada
Hamilton Community Benefits Network
Ottawa Community Benefits Network
Ontario Nonprofit Network
Peel Community Benefits Network
Toronto Community Benefits Network

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Recommendation 1: We recommend that the federal government establish a comprehensive Community Benefits Employment Strategy for its Infrastructure and Clean Energy Initiatives.

Recommendation 2: We recommend the federal government establish a Capacity Building Fund to build and sustain community organizations who play an important role in the successful implementation of community benefit agreements. The funding should be in the amount of 0.1% of the annual infrastructure budget.

Recommendation 3: We recommend the federal government establish a National Acquisition Fund to provide capital contributions to help nonprofits and co-ops purchase existing, occupied, purpose-built rental buildings to facilitate the preservation of existing affordable rental housing and enable the community housing sector to leverage the valuable assets acquired to expand affordable housing opportunities.

About Community Benefits Ontario

Community Benefits Ontario (CBO) is a provincial network focused on community benefits policy and implementation in Ontario. CBO members work to promote community benefit agreements in communities across Ontario.

Maximizing the value and impact of public investments through community benefits

Given the unprecedented social, economic, and environmental challenges Canada is currently facing, the federal government is urgently tasked with building and improving both physical (e.g. transit and manufacturing plants) and social infrastructure (e.g. healthcare and employment insurance) across the country. The traditional approach of building physical infrastructure without taking into consideration additional social, environmental and cultural impacts is no longer viable as it is not the most efficient use of public spending. The Government of Canada needs to adopt innovative approaches that simultaneously achieve multiple policy goals, and one cost-effective way to do this is through Community Benefit Agreements. Community Benefit Agreements often include benefits for local communities such as the preservation of affordable housing and inclusion of affordable units in new housing, commitments for hiring local residents for infrastructure projects, and the development or improvement of parks or community facilities. By incorporating conditions for Community Benefits Agreements into public infrastructure projects and/or funding, the government can effectively enhance their social and economic impacts.

Detailed Recommendations

Recommendation 1: Establish a comprehensive Community Benefits Employment Strategy for Infrastructure and Clean Energy Initiatives.

According to [Clean Energy Canada](#), it is estimated that Canada's clean energy sector will grow by 50% between 2020 and 2030, creating a demand for 639,200 more workers in the clean energy sector. This paired with [Construction Canada's prediction](#) that Canada will need 300,000 more workers by 2030 highlights a shortage of workers that the implementation of Community Benefits Agreements can help solve.

The federal government must prioritize the establishment of a comprehensive Community Benefits Employment Strategy for its infrastructure and clean energy initiatives. This strategy aligns with the principles of the Government of Canada's [Sustainable Jobs Plan](#), aiming to distribute the benefits of these projects equitably among all Canadians. Historically marginalized communities have faced barriers to employment, perpetuating income inequality and hindering social mobility. A Community Benefits Employment Strategy would prioritize their involvement in these projects, breaking these cycles and fostering inclusive prosperity. Additionally, such a strategy would bridge regional economic disparities by ensuring that projects directly benefit local communities through high quality jobs, local and equity hiring provisions and training programs, empowering residents with access to good jobs and relevant skills in this emerging sector.

A Community Benefits Employment Strategy ensures:

- Prioritizing historically marginalized communities - that have faced barriers to employment, perpetuating income inequality and hindering social mobility - involvement in publicly funded infrastructure and clean energy projects and foster inclusive prosperity.
- Facilitating targeted outreach, recruitment and training initiatives to equip workers with the knowledge, pathways and expertise needed to participate in sustainable infrastructure and clean energy projects. The Strategy will address the skills gap and secures Canada's position as a leader in the global green economy.

Overall, the implementation of a comprehensive Community Benefits Employment Strategy ensures the long-term socio-economic growth of Canada while narrowing existing disparities and creating a more inclusive and sustainable society.

Recommendation 2: Establish a Capacity Building Fund to build and sustain community organizations who play an important role in the successful implementation of community benefit agreements, funding in the amount of 0.1% of the annual infrastructure budget.

As the nation embarks on extensive housing and infrastructure projects to drive economic growth and address critical needs, it is imperative to ensure that these initiatives create lasting community benefits in local communities. Community Benefit Agreements are project-specific contracts negotiated between communities and public developers. It is a cost - effective tool to leverage existing infrastructure investment from the federal government to produce additional socio-economic impacts. It creates targeted employment, training, and apprenticeship opportunities, sets new procurement pathways for local and diverse small businesses, social enterprises and suppliers, and improves neighbourhood amenities. When designed and implemented well, CBAs are a win-win for developers, small businesses, local communities, workers, and government.

The Gordie Howe International Bridge community benefit plan in Windsor has helped assign 300+ pre-apprentices to the project. The Toronto Eglinton Crosstown LRT's community benefit program has resulted in the hiring of skilled newcomers and \$8 million in local business spending.

However, in order for Community Benefit Agreements to be successfully designed and implemented in public infrastructure projects, local communities must be meaningfully involved in the early planning stages of a project helping to identify and inform local priorities for economic, social and environmental benefits. As every community's needs are different, coordinated efforts are required to identify common community priorities and to negotiate for community needs. This is where local community groups play an important role.

Across Canada, there are many community benefit organizations and networks - they are responsive to the interests of local residents, and help organize and facilitate local communities engagement in the consultation processes when public infrastructure and construction projects

take place in their neighbourhoods. 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. These community groups hold the government accountable, ensuring and enhancing the implementation of any new and existing community benefit agreements, and community employment benefit policies.

Despite their irreplaceable role, these community networks often lack resources to sustain or grow their activities. Many communities do not currently have local community benefit coalitions, and require seed funding to create one.

By providing capacity building funds for Community Benefits Networks and organizations, the federal government can ensure that a significant portion of the labor force employed in Infrastructure and clean energy projects come from local and diverse communities, while also delivering additional social benefits. This not only boosts local economies but also strengthens social ties within these communities, fostering a sense of ownership and pride in the projects.

Recommendation 3: Establish a National Acquisition Fund to provide capital contributions to help nonprofits and co-ops purchase existing, occupied, purpose-built rental buildings to facilitate the preservation of existing affordable rental housing and enable the community housing sector to leverage the valuable assets acquired to expand affordable housing opportunities.

Canada is currently experiencing an unprecedented housing crisis. For decades, communities have been patiently awaiting the deliverance of the promises of economic prosperity that have been paired with large scale infrastructure projects. Instead, working class communities around the country have been scattered by gentrification, while affordable housing units are becoming increasingly out of reach. This is further exacerbated by corporations purchasing older rental buildings, renovating their tenants, and then making large profits by hiking rents or selling the units and taking much-needed affordable rental housing off the market. Affordable housing is repeatedly identified as a top priority in communities across Canada, and community benefit agreements can be a tool to guard against displacement by requiring public infrastructure projects to commit to preserving existing affordable housing stock and building new affordable housing.

Nonprofits and cooperatives play a critical role in preserving affordable housing. Existing rental housing are typically more affordable, centrally located or close to transit, and have larger units including family sized units. However, nonprofits and cooperatives often do not have the capital to compete with private developers in acquiring these affordable housing units.

A National Acquisition Fund can help preserve affordable housing by providing capital grants and estimated renovation costs to non-profit housing organizations, municipalities and provincial housing organizations so they can purchase existing, occupied, purpose-built rental buildings –

and retain that affordability and housing stability for tenants long term. It is important that the acquisition fund also provides capital for renovation costs so that these older buildings can be renovated to provide good and safe housing.

A National Acquisition Fund will fill the equity gap to support these acquisitions, enable the community housing sector to leverage the valuable assets acquired to expand affordable housing opportunities, and support the capacity and growth of the non-profit housing sector throughout communities across Canada.