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TO: Finance and Corporate Services Committee

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FILE NUMBER: ACS2026-SI-SPO-0001

SUBJECT: City of Ottawa Community Benefits Framework – Jurisdictional Scan

**OBJET : Cadre d'avantages communautaires de la Ville d'Ottawa – Tour d'horizon
des municipalités**

PURPOSE

On July 10, 2024, Council directed staff to review the potential effects of adopting a community benefits framework for the City of Ottawa, along with a review of experiences to date of relevant municipalities that have a community benefits framework as described in motion [ACS2024-OCC-GEN-0011](#).

The response to this motion will occur in two phases. The first phase involves conducting a jurisdictional scan of municipalities that have implemented community benefits policies or frameworks to understand the approaches to development and implementation. The second phase will review the potential effects of adopting a community benefits framework for the City of Ottawa, as well as any measures that would be required for the City to implement such a framework.

This memorandum provides the results of Phase One, the analysis of Canadian municipalities that have implemented a community benefits program.

This phased approach enables the City to apply best practices from other municipalities, identify infrastructure projects to pilot aspects of a future program, and ensure the program will deliver meaningful benefits to the community. It also provides an opportunity to assess how the Social Procurement Framework was implemented during the Lansdowne 2.0 Redevelopment project which was developed in response to Councillor Johnson's motion ([ACS2023-PRE-GEN-0009](#)). The intent of that framework is to increase supply chain diversity, expand opportunities for equity-deserving individuals and maximize local procurement. The resulting measures, including providing training and employment opportunities, and prioritizing procurement from local businesses, will offer valuable insights to inform the second phase of work.

EXECUTIVE SUMMARY

Staff conducted a jurisdictional scan of community benefits programs implemented by Canadian municipalities as directed by motion [ACS2024-OCC-GEN-0011](#).

In Canada, community benefits programs are relatively new. The review highlights the City of Brampton, City of Toronto, City of Vancouver, Region of Waterloo and Region of York's program models, implementation practices, and challenges. A detailed jurisdictional scan of their approaches is provided in Document 1.

Community Benefit Programs are municipal approaches that leverage public and private development projects to generate social and economic outcomes. They typically focus on workforce development through apprenticeship, equity hiring and training, as well as diversifying supply chains and addressing other community-identified priorities. While these programs create important opportunities, municipalities also face challenges in monitoring and reporting outcomes, managing added costs and schedule delays for developers, and ensuring accountability through different enforcement approaches.

Two main community benefits models have emerged, one that is policy focused and another that is a framework. Both models aim to integrate social, economic, and workforce objectives into development projects but differ in structure and application.

A policy model is typically prescriptive and directive, outlining clear roles, responsibilities, and procedures for all parties involved. It establishes defined targets and can be used as an enforcement mechanism, providing consistency and accountability through formal agreements or contract terms.

In contrast, a framework model operates as an overarching guide that sets strategic direction and principles rather than fixed requirements. Frameworks allow greater flexibility for departments to tailor community benefits initiatives to specific projects or local priorities and are often integrated within existing policies or programs.

While policies provide structure and enforceability, frameworks emphasize coordination, adaptability, and collaboration across multiple initiatives. Both approaches require strong governance to ensure effective implementation, monitoring, and reporting.

Regardless of the model, all community benefits programs are place-based, designed to reflect each municipality's context, and informed by engagement with partners and communities. To develop an effective and sustainable program, municipalities must first understand their local landscape, including the economy, workforce capacity, and development market. Some municipalities begin by focusing on a single aspect of community benefits, such as workforce development, before expanding into social or local procurement. Others develop comprehensive frameworks that address all components from the outset. In every case, the research and development phase is critical and often lengthy, requiring extensive collaboration with internal and external partners to ensure the program aligns with community priorities and available resources.

SYNTHÈSE ADMINISTRATIVE

Le personnel a effectué un examen des programmes d'avantages communautaires mis en œuvre par d'autres municipalités canadiennes conformément à la motion [ACS2024-OCC-GEN-0011](#).

Au Canada, les programmes d'avantages communautaires sont relativement nouveaux. L'examen a mis en lumière les modèles de programmes, les pratiques de mise en œuvre et les défis de la Ville de Brampton, de la Ville de Toronto, de la Ville de Vancouver, de la Région de Waterloo et de la Région de York. Une analyse détaillée de leurs approches est fournie dans le document 1. Les programmes d'avantages communautaires sont des initiatives municipales qui tirent parti des projets d'aménagement publics et privés pour générer des résultats sociaux et économiques. Ils mettent généralement l'accent sur le perfectionnement de la main-d'œuvre par le biais de l'apprentissage, de l'embauche et de la formation tenant compte de l'équité, ainsi que par la diversification des chaînes d'approvisionnement et la prise en compte d'autres priorités définies par la communauté. Bien que ces programmes créent d'importantes perspectives, les municipalités font également face à des défis en matière de surveillance et de communication des résultats, de gestion des coûts supplémentaires et des délais pour les promoteurs. De plus, elles doivent assurer la reddition de comptes au moyen de différentes approches d'application.

Deux principaux modèles d'avantages communautaires ont vu le jour, l'un est axé sur les politiques et l'autre est un cadre. Les deux modèles cherchent à intégrer les objectifs sociaux, économiques et liés à la main-d'œuvre dans les projets d'aménagement, mais diffèrent par leur structure et leur application.

Le modèle axé sur les politiques est généralement normatif et directif, décrivant clairement les rôles, les responsabilités et les procédures pour toutes les parties concernées. Il établit des objectifs bien définis et peut être utilisé comme mécanisme d'application, assurant cohérence et responsabilisation par le biais d'accords officiels ou de conditions contractuelles.

En revanche, le modèle de cadre fonctionne comme un guide global qui établit une orientation et des principes stratégiques plutôt que des exigences fixes. Les cadres offrent une plus grande souplesse aux directions générales pour adapter les initiatives privilégiant les avantages communautaires à des projets précis ou à des priorités locales et sont souvent intégrés aux politiques ou programmes existants.

Alors que les politiques fournissent une structure et une force exécutoire, les cadres mettent plutôt l'accent sur la coordination, l'adaptabilité et la collaboration entre plusieurs initiatives. Les deux approches nécessitent une solide gouvernance pour assurer une mise en œuvre, un suivi et des rapports efficaces.

Quel que soit le modèle, tous les programmes d'avantages communautaires sont axés sur le milieu, conçus pour refléter le contexte de chaque municipalité et éclairés par la mobilisation des partenaires et des communautés. Pour élaborer un programme efficace et durable, les municipalités doivent d'abord comprendre leur paysage local, notamment l'économie, la capacité de la main-d'œuvre et le marché de l'aménagement. Certaines municipalités commencent par cibler un seul aspect des avantages communautaires, comme le perfectionnement de la main-d'œuvre, avant de passer à l'approvisionnement social ou local. D'autres élaborent des cadres détaillés qui traitent de tous les volets dès le départ. Dans tous les cas, la phase de recherche et de développement est cruciale et souvent longue, nécessitant une collaboration approfondie avec des partenaires internes et externes pour s'assurer que le programme est conforme aux priorités de la communauté et aux ressources disponibles.

BACKGROUND

On July 10, 2024, Council directed staff to review the potential effects of adopting a community benefits framework for the City of Ottawa, along with a review of experiences to date of relevant municipalities that have a community benefits framework.

The response to this direction will occur in two phases. The first phase involves conducting a jurisdictional scan of municipalities that have implemented community benefits policies or frameworks to understand the approaches to development and implementation. The second phase will review the potential effects of adopting a community benefits framework for the City of Ottawa, as well as any measures that would be required for the City to implement such a framework.

This memorandum provides the results of Phase One, the analysis of Canadian municipalities that have implemented a community benefits program.

This phased approach allows the City to incorporate best practices from other jurisdictions and engage with key partners and communities. It also provides an opportunity to assess how the Social Procurement Framework developed for the Lansdowne 2.0 Redevelopment is implemented. This project will provide valuable

insights to inform strategies that can increase supply chain diversity, create opportunities for equity-deserving communities and local businesses.

Municipalities across North America are showing growing interest in community benefits programs as a way to create inclusive and equitable economic opportunities through public and private sector initiatives. While opinions on these programs vary, experience shows they can leverage infrastructure spending to achieve positive social and economic outcomes while prioritizing a diverse workforce. Governments use community benefits to increase the impact of their spending in areas such as employment, economic development, social procurement, and community development.

The Government of Ontario passed *the Infrastructure Jobs and Prosperity Act* in 2015, which established principles encouraging infrastructure projects to consider local hiring, social procurement, and other community-defined benefits. While the Act did not make these practices mandatory for municipalities, following this legislation, many municipalities and regions within Ontario, began developing community benefits frameworks to guide public development initiatives. Municipalities must also consider how federal infrastructure funding programs may affect their community benefits program. For example, the *Investing in Canada Infrastructure Program (ICIP)* outlines federal procurement requirements for businesses and social enterprises led by underrepresented groups, which may differ from municipal community benefits frameworks or policies and create additional reporting obligations or barriers if not aligned.

Currently, Vancouver, Toronto, and York have active community benefits programs, while the City of Brampton is implementing their policy through pilot initiatives. The Region of Waterloo is piloting its framework on two redevelopment projects prior to finalizing it. The City of Hamilton is in the early stages of developing its own community benefits program, while smaller jurisdictions such as Prince Edward County have already established programs and are working to integrate them into municipal processes.

Community benefits programs in Canada typically share common outcomes and guiding principles: inclusive workforce development, supply-chain diversification, and social procurement. Workforce development aims to address barriers to employment, including underrepresentation of equity-deserving groups and labour market challenges, through training and apprenticeship programs. Many municipalities focus on the construction sector, as roles are easier to define and partnerships with labour unions, employment agencies, and training institutions are well established. For example,

Brampton and Waterloo's programs exclusively focus on creating employment and training opportunities for individuals from equity-deserving or underrepresented groups in the construction industry, while Vancouver and Toronto have developed programs that create pathways for these groups within large construction projects.

Many municipalities also maintain independent policies or frameworks on social procurement and supply-chain diversification. These policies relate to community benefits but operate separately because procurement is tightly regulated, must comply with legislation and trade agreements (for example the Canadian Free Trade Agreement), and applies city-wide rather than only to infrastructure projects. Social procurement contributes to community benefits outcomes, but because it is highly specialized and governed by its own rules, municipalities often manage it through a distinct program or framework that complements broader community benefits initiatives.

Developing social procurement and community benefits policies or frameworks often takes several years. Municipalities emphasize the need to first identify objectives through internal and external engagement to align outcomes with community priorities. They also recommend analyzing the municipal landscape to assess whether local hiring and procurement outcomes are feasible given existing capacity. Identifying gaps in the current workforce and supply chain helps clarify market conditions and determines whether a program can succeed with available resources. Long-term data collection is another key factor that extends timelines. Before setting hard targets for procurement, workforce, or social outcomes, municipalities must establish baselines, often through pilot projects, and use those results to inform the framework or policy. Therefore, developing a framework requires dedicated resources, extensive engagement, and strong data systems to ensure it will deliver meaningful benefits to the community in various applications.

This memo outlines the various model's municipalities have developed to implement community benefits, as well as the common constraints, challenges, and lessons learned throughout their development and implementation.

Document 1 provides a detailed summary of each municipality's approach, including the engagement processes, governance structures, data tracking mechanisms, and implementation tools.

DISCUSSION

Community Benefits Program Models

Canadian municipalities have taken two main approaches to implementing community benefits: a policy model and a framework model. Both models establish agreements that stipulate community benefits targets, monitoring requirements, and implementation plans so that governments and developers share a clear understanding of expectations. Each approach also emphasizes consultation with internal and external partners throughout program development and implementation. Community benefits networks are valuable resources that help identify key partners and community organizations, build relationships, and ensure that municipal priorities align with community needs. During implementation, municipalities often establish project-specific working groups to track progress, address barriers, and support collaboration with developers. All programs are place-based, designed to reflect each municipality's context, and informed by input from partners and communities.

A significant component shared across both models is the use of Community Benefits Agreements (CBAs) which are contractual agreements between governments and developers that specify the benefits to be delivered. CBAs strengthen accountability but their enforceability depends on well-defined provisions that align with legal, procurement, and planning processes. While not all municipalities rely on CBAs, most recognize the importance of clear agreements that set expectations, define measurable targets, and maintain relationships among municipalities, developers, and community partners.

Where the models differ is in how targets are established, the level of government involvement, and the strength of enforcement mechanisms. The policy model (Vancouver and Brampton) provides a formal structure with clearly defined roles and responsibilities for all parties. Since policies are embedded in municipal processes and legal instruments, they are generally easier to enforce. Vancouver applies fixed thresholds, embeds them in CBAs, and delegates monitoring to a third party, while Brampton focuses only on workforce development, has developers set targets through agreements and relies on the municipality to monitor compliance directly.

The framework model (Toronto, York, and Waterloo) serves as a guide outlining overarching principles and approaches for integrating community benefits into existing municipal programs and projects. It applies criteria-based targets that vary by project and embeds them in procurement or service contracts rather than standalone CBAs. In

Toronto and York, governments play a strong enabling role by coordinating across divisions and supporting developers. Waterloo's framework is narrower in scope, focused on workforce development. While the city does not have dedicated staff to support the pilot projects, it leverages well-established partnerships with employment contacts as key resources.

Community Benefits Development Process

While program models define how community benefits function in practice, municipalities followed different development processes to establish them, including identifying dependencies on complimentary policies or frameworks that may need to be developed in advance. Municipalities may also consider creating policies or guidelines to ensure community benefits are implemented transparently and equitably.

Municipalities consistently emphasize several key factors that shape program development across both policy and framework models. The first step involves defining the program's purpose and objectives through engagement with internal departments, community partners, industry groups and equity-deserving groups. Consultations help identify community priorities and assess the local capacity to support community benefits, including workforce availability, supply chain readiness and economic conditions. Evaluating the local landscape enables municipalities to determine how targets will be set and whether local hiring or procurement outcomes are feasible.

Developing reliable data systems is also essential to track outcomes, measure progress and develop directories that support community benefits programs. Building these systems requires long-term commitment, often achieved through pilot projects. Pilots help municipalities generate baseline data, test reporting tools, and identify capacity gaps. They also enable municipalities to establish realistic and enforceable targets and support developers in meeting program goals through comprehensive directories. Municipalities such as Vancouver, Toronto, Waterloo, and York used pilot initiatives to refine their community benefits approaches, inform measurable objectives and strengthen program tools, including reporting systems and data directories.

Since the development of a community benefits program demands extensive engagement and coordination, municipalities must assess their internal resource availability early in the process. Dedicated administrative support to lead engagement, oversee pilots, and develop tools and reporting systems for implementation was identified as a requirement. Some municipalities such as Brampton and York, hired

consultants to assist with program design, with city staff providing coordination and continuity once the framework or policy is finalized.

Constraints of Community Benefits Program Models

Municipalities across Canada have encountered common constraints when designing and implementing community benefits programs. These constraints such as market conditions, data limitations and administrative capacity, impact all parties including government, developers and the community and can affect how programs are applied in practice. While each municipality's model reflects its own priorities and local context, the following constraints demonstrate the broader limitations that municipalities must account for when considering adopting community benefits in their jurisdiction.

Local Business and Workforce Capacity

Community benefits programs cannot be simply replicated across jurisdictions. What works in one municipality may not work in another, given differences in local economies, workforce capacity, and development markets. Municipalities must have a clear understanding of their local business landscape and workforce capacity before implementing a consistent community benefits program. Community benefits are intended to enhance social value through local procurement and workforce development. However, these outcomes rely heavily on the strength of the local economy. Some regions may lack sufficient inventory or local capacity to supply goods and services from within the community or from businesses owned by underrepresented groups. Similarly, the availability of skilled labour may be limited, making it difficult to meet workforce development goals or apprenticeship targets outlined in community benefits agreements. Understanding the local business and labour market landscape allows municipalities to structure community benefits programs around realistic goals and achievable targets. It also helps determine whether municipalities have the resources to support developers with up-to-date directories and connections to local suppliers and employment agencies.

Administrative Capacity and Staffing Needs

Managing community benefits requires significant administrative resources from program development through implementation. Municipalities have dedicated staff to coordinate internal and external engagement, support developers and monitor the implementation of the community benefits program. Even those that use third-party monitors or consultants still require internal capacity to maintain the program including resources, tools, and reporting. Establishing effective governance structures, including

working groups, is important to define roles, responsibilities, and accountability measures.

Data Collection and Reporting Gaps

Monitoring and reporting community benefits continues to be one of the greatest operational challenges municipalities encounter. Automatic data-tracking systems are limited, and municipalities often depend on unions or third parties for information. Municipalities do not always have access to apprenticeship and training data from unions, making it challenging to obtain and share information. Vancouver's third-party monitors, such as Buy Social and Lighthouse, maintain directories for hiring and procurement, as the City cannot publicize directories unless at least three providers exist in each category. Collecting field data is also difficult as many contractors and subcontractors rely on cell phones as their primary work tool, making spreadsheets impractical to collect data. To address these challenges, municipalities are testing simplified, mobile-friendly, and automated reporting tools. Labour forecasting is also used to anticipate infrastructure project requirements, including workforce needs. The lookahead approach helps municipalities understand labour and supply demands in advance, allowing them to identify solutions so developers can meet community benefits targets as required.

Complexity of Agreements and Target Setting

Community benefits agreements are complex, making enforcement and accountability challenging. While they provide structure and accountability, they also require clear definitions, measurable targets, and a legal framework that can withstand negotiation and monitoring challenges. As community benefits are still relatively new, municipalities continue to refine how targets are established, enforced, and evaluated. Pilot projects are used to collect baseline data and test achievable benchmarks before finalizing targets or even left up to the developers to set so they are realistic and achievable. Municipalities recognize the need to incorporate agreements into community benefits programs, which set expectations and define targets to maintain positive relationships amongst all parties.

Developer Costs and Market Pressures

The added costs and delays in construction schedules when implementing community benefits also remain a concern for developers. Municipalities consistently hear that incorporating community benefits into projects raises costs, especially in strained market conditions. If developers cannot access sufficient local networks or resources to

hire workers or procure goods, projects face risks of additional delays. Additionally, when community benefits requirements are overly prescriptive, municipalities risk assuming responsibilities and liabilities that traditionally lie with the developer. It has also been noted that some developers already apply equity hiring or social procurement practices, so they may resist entering into formal agreements unless mandated. Municipalities must balance expectations, so they are both achievable for developers and meaningful for communities.

CONCLUSION

As noted above, the response to the July 2024 motion will occur in two phases. The first phase (this memo) involved conducting a jurisdictional scan of municipalities that have implemented community benefits policies or frameworks to understand the approaches to development and implementation. The second phase will review the potential effects of adopting a community benefits framework for the City of Ottawa, as well as any measures that would be required for the City to implement such a framework.

It is anticipated that the results of phase two will be brought forward for Council's consideration in Q4 2026. This timing will enable the City to assess how the Social Procurement Framework developed for the Lansdowne 2.0 Redevelopment is implemented.

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SUPPORTING DOCUMENTATION

Document 1 – Community Benefits Framework – Jurisdictional Scan