

From: **"Singh, Sandra"**

To: **"Direct to Mayor and Council - DL"**

Date: 2024-05-29 10:35:09 AM

Subject: Memo to Mayor and Council - Community Benefit Agreement Policy update - RTS 14828 (2024-05-29)

Attachments: ACCS - GM - Memo (Council) - CBA Policy Implementation Update - RTS 14828 (2024-05-29).pdf

Dear Mayor and Council,

Attached please find a memo from Margaret Wittgens, GM, Arts Culture and Community Services regarding an update on the implementation and preliminary outcomes of the Community Benefit Agreement Policy (RTS 14828). The memo includes:

- Background context and overview of the CBA Policy
- Preliminary aggregate quantitative data analysis received from 3 active CBA development projects
- An appendix that outline staff plans and work done to date
- A more detailed report is expected to be presented to council in October 2024

Should Council have any further questions please contact Margaret directly at margaret.wittgens@vancouver.ca and she will make sure to respond through the regular weekly Q&As.

Thank you,

Sandra

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The City of Vancouver acknowledges the unceded homelands of the xʷməθkʷəy̓əm (Musqueam), Skwxwú7mesh (Squamish), and Sel̓wí7wítulh (Tseil-Waututh) Nations.

MEMORANDUM

May 29, 2024

TO: Mayor and Council

CC: Paul Mochrie, City Manager
Armin Amrolia, Deputy City Manager
Karen Levitt, Deputy City Manager
Sandra Singh, Deputy City Manager
Maria Pontikis, Chief Communications Officer, CEC
Katrina Lekovic, City Clerk
Teresa Jong, Administration Services Manager, City Manager's Office
Mellisa Morphy, Director of Policy, Mayor's Office
Trevor Ford, Chief of Staff, Mayor's Office

FROM: Margaret Wittgens, General Manager Arts, Culture, Community Services

SUBJECT: Community Benefit Agreement Policy – 2023 Implementation Update

RTS #: 14828

PURPOSE

The purpose of this memo is to provide an update to Mayor and Council on the implementation of the [Community Benefit Agreement \(CBA\) Policy](#) and to outline plans and work to date.

BACKGROUND

Council passed the Community Benefit Agreement (CBA) Policy in September 2018. The purpose of the policy is to enable opportunities within the development industry, to vitalize the local economy by prioritizing local employment and supporting local businesses through procurement.

The CBA policy aligns with a number of City strategies and plans, including the [Healthy City Strategy](#), [Vancouver Plan](#), [the Equity Framework](#), [Reconciliation Framework](#), [Employment Lands and Economy Review](#), and the [DTES Community Economic Development Strategy](#).

The CBA policy focuses only on large-scale development projects and aims to keep employment and procurement opportunities in Vancouver, so that Vancouver residents and

businesses benefit from these large developments. Development projects with new development floor areas of 45,000 m² (484,375 sq. ft.) or more must sign a Community Benefit Agreements (CBA). This agreement commits the development team to apply best efforts to achieve the following targets:

- **Local, Inclusive Employment:** Ensure that 10% of all jobs on the development to come from equity-denied groups and local residents, prioritizing new entry-level hires through a First Source Hiring Program.
- **Social procurement:** Source a minimum of 10% of material goods and services from third party certified social impact or equity-seeking owned businesses, with a priority on Vancouver businesses. This includes non-profits and social enterprises.
- **Local procurement:** Source a minimum of 10% of materials, goods, and services locally, prioritizing Vancouver companies first, then Metro Vancouver, then British Columbia.

Industry practice on large development projects is often to engage employees and transfer them from one project to the next, resulting in skilled employees moving from region to region across Canada. This can result in temporary localized demand on housing in an already tight housing market; and, if employees are non-resident, their earnings may be sent to home communities rather than retaining income locally. Further, this practice of utilizing a mobile workforce results in limited opportunities for local employment.

The CBA policy aims to change this to the benefit of the local economy and local workforce. With a quarter of Vancouver's residents living below the Low-Income Measure, the third highest rate of any city in Canada, and with the second highest income gap of any Canadian city¹, Vancouver's CBA policy helps ensure local jobs are going to Vancouver residents. Each development team must hire a 3rd party monitor to support with meeting the CBA obligations, including the reporting and monitoring of achieving the targets, and connecting with local employment agencies and businesses that meet the CBA targets.

The policy also seeks to support Vancouver's unique business environment, including the many local businesses owned and operated by equity-seeking groups, and non-profits and social enterprises that serve the construction and property development industry. This supports the City's goals of improving economic security and affordability for its residents, in particular those who are statistically over-represented in poverty and under-employed.

¹ Source: Prosperity for All through a Healthy Communities Approach:
<https://vancouver.ca/files/cov/prosperity-for-all-through-a-healthy-communities-approach.pdf>

DISCUSSION

Since the policy was passed in 2018, three development projects have active CBAs applied:

- New St. Paul's Hospital (1002 Station Street)
- Ashley Mar Housing and Co-op (8460 Ash Street and 8495 Cambie Street)
- 150 W Georgia (formerly 720-770 Beatty Street and 701 Expo Boulevard)

A further 11 development sites are currently set to have CBAs based on their rezoning applications. An additional 17 development sites are being monitored and expected to have CBAs, based on the site size and the anticipated potential for a development to meet the CBA threshold.

CBA Key Impact Metrics

High-level impact metrics are derived from all reports received on active development projects. The data shared in this memo is based on information City staff have received until **September 30, 2023**:

- In all 3 current active CBA sites, targets are surpassing the 10% minimum thresholds. In total, across all projects, 30% of the workforce came from local postal codes (counting all forms of local hiring, from within City-core to British Columbia), with the highest percentages coming from City-core (17%) and Metro Vancouver (10%).
- Local procurement across all projects exceeded the 10% targets, achieving an average of 24% of the value of procurement coming from local businesses, amounting to \$153,241,216 spent within the local economy (within Vancouver) as measured by the reports on procurement activities provided by the 3rd party monitors across all 3 projects. Across all projects, at least 240 local businesses (within Vancouver) were engaged to achieve this target, highlighting the diversity of local businesses being procured on the project.
- Social procurement across all projects exceeded the 10% target, achieving an average of 13% of the value of procurement coming from social value businesses, amounting to \$83,607,128 going to social value and diverse-owned businesses as measured by the cumulative reports on procurement activities provided by the 3rd party monitors across all 3 projects. Across all projects, thirty-one (31) social value suppliers were engaged to achieve the social procurement targets.

NEXT STEPS

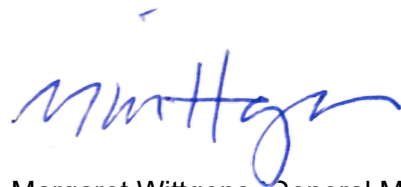
Staff anticipate continued implementation of the CBA Policy on 3 active and 11+ future in scope development projects. In addition, evaluation of the impact of the CBA Policy will continue to be undertaken, through engagement with parties impacted by the CBA Policy, including employees, contractors, employment agencies, and businesses. Data gathered in the

evaluation will enable deeper analysis on the potential economic impacts of the CBA Policy on the broader economy in Vancouver.

Staff will bring a report to Council in Q4 2024 with an update on the above activities, and which may include recommendations for draft policy amendments for Council's consideration, based on this evaluation of all areas of the CBA policy implementation work to date.

FINAL REMARKS

If Council requires further information, please feel free to contact me directly at margaret.wittgens@vancouver.ca and we will provide response through the weekly Council Q&A.



Margaret Wittgens, General Manager
Arts, Culture, and Community Services

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APPENDIX A: Staff work to date

- Staff are collaborating across all departments to ensure consistent and efficient application of the CBA policy.
- Staff are monitoring rezoning applications to identify developments and large sites that will necessitate a CBA.
- Staff have developed, implemented and are enhancing the CBA Policy Implementation Toolkit, which includes reporting templates and guides for CBA implementation.
- Staff are facilitating Project Specific Working Groups (PSWG) on three active sites to ensure clear communication and consistent monitoring with project proponents, contractors, sub-contractors, and third-party monitors.
- Staff are providing support to Third Party Monitors in their role as CBA monitors, including assistance in engaging with diverse-owned businesses, social enterprises, social value businesses, and employment agencies for CBA projects.
- Staff are utilizing insights from PSWG to continuously develop best practices for effective CBA Policy implementation. This involves streamlining reporting requirements, maximizing socio-economic impacts, and addressing challenges while capitalizing on creative opportunities that arise on development sites with industry partners.
- Staff conducted 20 information sessions for social value, diverse-owned businesses, networks, industry groups, and stakeholders to disseminate information about the CBA. Staff are actively building relationships with organizations, businesses, and networks affected by the CBA, and developing communication materials to bring awareness to the CBA Policy.
- Staff facilitated the City-Wide CBA Working Group as an external advisory committee to support the guidance of CBA Policy implementation, as outlined in the CBA Policy.
- Staff are facilitating knowledge exchanges with other municipalities and stakeholders involved or interested in designing and implementing their own CBAs across Canada, including Toronto, Edmonton, Yukon, Ottawa, Calgary, and Richmond.
- Staff are currently in the process of engaging a consultant to develop a CBA Impact Engagement initiative. This initiative aims to provide a deeper understanding of the qualitative impacts of employees, businesses, and nonprofits engaged on CBA development sites.
- Staff are currently engaging a sustainability scholar to develop an economic model that incorporates the multiplier effect and other indirect impacts resulting from local hiring and procurement into our sustainability framework.