

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY:

Original Signed by 

Jacques Dubé, Chief Administrative Officer

DATE: November 18, 2022

SUBJECT: **Community Benefit Agreements**

ORIGIN

May 3, 2022 Regional Council motion (Item 15.4.1):

MOVED by Councillor Stoddard, seconded by Councillor Russell

That Halifax Regional Council direct the Chief Administrator Officer to prepare a staff report on Community Benefit Agreements (CBAs) and next steps for development as part of HRM's planning and development strategies for African Nova Scotian communities.

LEGISLATIVE AUTHORITY

Legislative amendments to the *Halifax Regional Municipality Charter*, S.N.S. 2008, c. 39 would be necessary to provide the requisite authority for Community Benefit Agreements, the details of which would be part of subsequent discussions with the Province.

RECOMMENDATION

It is recommended that Halifax Regional Council direct the Mayor to write to the Minister of Municipal Affairs, requesting that the power to develop, enter into and enforce Community Benefit Agreements be added to the *HRM Charter*, and that the Province work with the Municipality to do so.

BACKGROUND

Community Benefit Agreements (CBAs) are formal, negotiated and legally-binding agreements that set out specific benefits a community will receive in exchange for being impacted by a development project. CBAs are individual agreements specific to particular development projects, therefore the benefits included in each agreement can be different and shaped to each community's unique circumstances. Common benefits include training, employment opportunities and procurement from local businesses during the construction and development phase of a project; affordable housing in the project itself; and broader community and environmental additions to the area such as green space and energy efficiency.

A CBA can be either an agreement between a developer and local community, a contract between a developer and the government, or a tri-partite agreement between the developer, government and

community. There are various ways to define “community” in the context of a CBA. It can be a geographic area, a distinct population, individuals or organizations impacted by the development, advocacy groups, or a broad coalition of those with an interest in the project. Best practices across North America indicate that it is best for the community coalition to define itself, but to be effective it must be able to develop consensus on the benefits and priorities presented for a CBA.

CBAs can provide benefits for communities, developers and governments. They allow a community some control over the impact a development will have in the area, and an opportunity to have its priorities addressed through public realm improvements. There can be economic benefits if the CBA includes requirements around job and training opportunities or procurement from local businesses. For developers, a CBA can lead to a more collaborative relationship with the community by addressing concerns upfront, which may lead to a shorter approval process. Governments can leverage CBAs to meet policy goals around community economic development, employment and poverty reduction, social inclusion and land use planning

HRM has been researching the benefits of CBAs for some time, particularly in regard to African Nova Scotian communities. The 2016-21 Economic Growth Plan proposed including community benefits in development approvals as a way to foster social inclusion. *People. Planet. Prosperity: Halifax's Inclusive Economic Strategy 2022-27* builds upon this, with a strategic objective to maximize the economic impact and social benefits of major projects, particularly for Indigenous and African Nova Scotian communities.

Council has also endorsed the African Nova Scotian Road to Economic Prosperity: a collaborative plan developed and owned by the African Nova Scotian community to advance economic development and community priorities. One of the Plan's actions is to ensure CBAs are available as a land use planning strategy for African Nova Scotian communities.

DISCUSSION

HRM is experiencing unprecedented population growth, accompanied by increased development. More housing is needed, particularly in areas where supporting services already exist. The Regional Plan's housing objectives include:

- focusing new growth where services are already available;
- protecting neighbourhood stability; and
- designing communities to support neighbourhood revitalization.

These objectives require new housing to be developed in built-up areas. However, adding significant development and construction to existing communities can change neighborhoods' characters and built form, and be perceived negatively by existing residents. This is exacerbated in many African Nova Scotian communities, where there were historical patterns of expropriation and land acquisition that shrank community boundaries and displaced residents.

CBAs have the potential to increase community engagement and build trust by enabling the community to have influence over development projects and see their priorities actioned. The African Nova Scotian Road to Economic Prosperity Advisory Committee (REPAC) has done research on CBA best practices, and specifically asked HRM to include CBAs in the updated Regional Plan. REPAC is also requesting that the Provincial government add the power to implement CBAs to the *HRM Charter*.

HRM is currently implementing a Social Benefits Contract in the Cogswell redevelopment project, which is similar to a CBA. This contract was part of the overall RFP that HRM issued for the Cogswell work, and requires the contractor to provide labour, training, apprenticeship and professional development opportunities for equity-seeking groups, particularly Indigenous and African Nova Scotians, and create a Supplier Diversity Plan to subcontract from diverse suppliers. There are minimum targets for each of these initiatives, and a Community Liaison coordinator who oversees the Contract and provides monthly reports

to HRM.

HRM is able to implement a Social Benefits Contract for Cogswell as it is a public project overseen by the municipal government, which is governed by the Procurement Administrative Order (AO 2020-004-ADM), and its Social Value Framework guidelines. However, the majority of development projects throughout HRM originate from the private sector. Implementing a CBA or Social Benefits Contract for private projects would require a change to the *HRM Charter*, allowing HRM to create, enforce and monitor the agreement.

As noted above, a CBA can be an agreement between developers, governments and/or community organizations. Vancouver and Toronto both have CBA powers and policies, and structure them in different ways. One of the earliest and most successful CBAs was implemented for the construction of Olympic Village in Vancouver. The CBA outlined several employment, training and local procurement commitments to bring benefits to Vancouver's inner-city residents, and it was managed by a government-created not-for-profit economic development agency. Throughout the course of the project over 120 residents were placed in construction jobs, almost \$42 million in goods, services and equipment was procured from inner-city businesses, and 16 employment training courses were delivered.

Having government-led support for the monitoring and oversight aspects of a CBA is useful, as community organizations may lack the expertise or time to have a hands-on role for the duration of the project. Much CBA research comes from the United States where they have a longer history. This research outlines some of the risks associated with community-led CBA implementation:

- ensuring appropriate inclusion opportunities for all community residents
- developing consensus on desired benefits and producing a realistic and meaningful platform
- lack of capacity and/or resources for longer-term involvement in CBA implementation

Having government act as a third party can mitigate these risks by using its resources to expand outreach and consultation with residents, providing assistance to community organizations if necessary, and providing ongoing monitoring. The structure of such an agreement could resemble HRM's density bonusing program or development agreements. Similar to density bonusing, CBAs would be voluntary for developers and likely originate with a request from the community to work with the developer proactively to include benefits, in return for community support.

Conclusion

Having the power to implement CBAs in the *HRM Charter* would support HRM's existing policy direction in the Economic Strategy and African Nova Scotian Road to Economic Prosperity. REPAC is asking the Provincial government to make this legislative amendment and demonstrating HRM's support is important to make it a reality. Going forward, staff would continue to work with REPAC on CBAs, particularly to identify the kinds of benefits communities would like to see implemented. CBAs would be an additional tool for HRM to use to address community concerns and interests in development projects.

Details on the structure, signatories, and enforcement mechanisms of any such agreements will be part of subsequent discussions with the Province. Staff may return to Council for further direction once more information on those details is available.

FINANCIAL IMPLICATIONS

No financial implications at this time.

RISK CONSIDERATION

There are no significant risks associated with the recommendation in this report. There is some risk of relationship impact with REPAC should Council decide not to pursue a request for legislative change.

COMMUNITY ENGAGEMENT

Staff have worked with the African Nova Scotian Road to Economic Prosperity Advisory Committee over the past year to develop a potential approach to CBAs.

Recommendations for CBAs are included in both the 2016-2021 and 2022-2027 Economic Strategies, both of which involved extensive stakeholder consultation.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified. Should HRM receive legislative authority to undertake CBAs, environmental and energy efficiency benefits may be part of some future agreements.

ALTERNATIVES

Regional Council could choose not to request the legislative authority to undertake CBAs. This is not recommended as CBAs are supported in Council's current policy approach.

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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