



**On Track to Opportunities:
Linking Transit Development to
Community Employment and Training Project**

**UWTYR/MTCU OLMP
FINAL REPORT**

**EXECUTIVE SUMMARY
and
RECOMMENDATIONS
(Final Report pp 7 to 16)**

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EXECUTIVE SUMMARY

The Eglinton Crosstown Line (ECL) project presents an historic opportunity to improve the lives of thousands of residents in Toronto, and potentially influence broader economic inclusion throughout Ontario.

The five-year, \$5.3 billion Eglinton Crosstown Line (ECL) project is more than simply a way to move people quickly along 19 kilometres of track traversing the city from east to west. It also offers the promise of benefits for communities along the line through an association of developers, governments, residents, unions and community groups. Leveraging this and other construction projects over the next five years will build stronger communities, help young people achieve their potential and move people from poverty to possibility.

In a very real way, the neighbourhoods along the Eglinton line – from Weston-Mt. Dennis in the west to Dorset Park in the east – will be connected.

The need for action is well understood. As a series of high profile reports from the United Way Toronto and York Region (UWTYR) have documented, Toronto's reputation as a city of widespread opportunity is in jeopardy. Poverty is becoming concentrated in neighbourhoods, especially in the inner suburbs, and income inequality is growing faster in the city than in other major Canadian communities.

For many people, a growing gap in opportunities means that hard work is no longer a guarantee of success. In many cases, where you come from and who your family is – such factors as race, gender, your postal code and household income while growing up – are likely barriers to a good future. The growth of precarious employment is falling disproportionately on the young and those living in communities where the proportion of residents living in poverty is above average.

The stage is set for new approaches to today's emerging challenges. Metrolinx, the Ontario government agency overseeing integration of transportation in the Great Toronto and Hamilton Area (GTHA), has been working closely with local labour, community and resident organizations to explore the possibility of community benefits as a result of the investment in the Eglinton Crosstown Line. In April, 2014, Metrolinx signed a formal agreement and the Toronto Community Benefits Network (TCBN) TCBN, known as the Community Benefits Framework (CBF), that recognizes that major transit infrastructure investments should also provide benefits for the communities in which it works, including employment, training, apprenticeship, local supplier and social procurement opportunities, where possible. Metrolinx has therefore committed to include a community benefits program for the Toronto Transit Project (defined as the LRT project planned for Finch, Sheppard and Eglinton Avenues), beginning with the Eglinton Crosstown LRT line.

The creation of an Ontario Labour Market Partnership (OLMP) between UWTYR and the Ontario Ministry of Training, Colleges and Universities (MTCU) in May 2014 is a continuing step in responding to the opportunities offered by the ECL and builds on the CBF based on three key objectives:

- Determine the lessons learned in other community benefits programs in Canada and the United States;
- Investigate and test methods for engaging residents in the target population of the CBF, specifically groups and communities that have been historically disadvantaged;
- Develop a pragmatic model for a workforce development pathway that could be used to connect jobseekers with construction jobs (and other type jobs) related to the ECL.

This report, *On Track to Opportunities: Linking Transit Development to Community Employment and Training Projects*, is a summary of what has been learned through this important partnership.

Community Benefits Agreements: Lessons Learned across North America

Nearly three dozen examples of jurisdictions implementing community benefit agreements were researched over the course of the OLMP project. Two of these projects were analyzed in-depth because their characteristics most clearly conformed to the Eglinton Crosstown Line, specifically, the Atlanta BeltLine redevelopment project and the Port of Oakland expansion project.

In North America, Community Benefit Agreements (CBA) are typically defined as legal contracts negotiated between public or private developers, unions and community groups that leverage construction projects towards realizing additional social, economic and environmental objectives. CBAs coordinate a process for providing equity-seeking and historically disadvantaged groups with pre-employment and training programs, wraparound supports (e.g. childcare, transportation, housing, etc.), and preference in securing job opportunities for a given project. CBAs have also been used to secure living wages, unionization, affordable housing, sustainable design, and environmental mitigation measures.

CBAs began in the 1990's as a way to compensate marginalized or historically disadvantaged residents who were being displaced by urban renewal projects. Today they are commonly used across the United States and in Scotland as an effective policy tool for maximizing the social and environmental return on public infrastructure investments.

This comprehensive review of available literature and case studies points to key pillars that are necessary if CBAs are to facilitate a range of community benefits, particularly labour market access, for equity-seeking and historically disadvantaged groups:

- **Strong governance role for community and community-based, culturally appropriate outreach:** Most CBAs are typically initiated by a coalition comprised of grassroots community organizations, organized labour, and social service and workforce development agencies. Including community-based organizations in a formal governance role when it comes to CBAs has been key to successful coordination of pre-apprenticeship programs and to monitor contractor compliance and accountability. This also means that grassroots community organizations require capacity-building supports to effectively participate in governance structures.
- **Pre-employment programs, training and wraparound supports:** In addition to building and construction trade jobs, other CBAs cover jobs and training in a range of sectors: non-trade construction jobs; retail jobs; aviation-related jobs; and health sector jobs requiring varying degrees of technical training. Equity-seeking and historically disadvantaged participants face numerous social and economic barriers while accessing training as well as on the job site. CBAs have addressed some of these barriers by providing wrap-around supports including assistance with transportation and childcare, job mentoring and on-site job coaches, healthcare benefits and legal counselling. Creating a job pipeline with multiple entry points and a range of supports to engage those farthest from the labour market is a key enabler in this respect. This is especially valid when the pipeline ensures that those who do not meet entry-level qualifications for apprenticeship training programs can be coached into a clear pathway for upgrading their basic educational and/or other essential skills so that they can become eligible.
- **Start early.** Successful ventures ensure that outreach, recruitment and training are well timed in advance of hiring waves, particularly for residents who require basic skills upgrading. Ideally, monitoring systems with clear accountabilities for results are up and running when hiring commences. "Quick wins" can build the profile of the program and buy-in from stakeholders, and provide early identification of implementation challenges.
- **Preferential hiring mechanisms and social procurement policies:** The primary legal mechanism used in North American CBAs to achieve equity hiring goals is a First Source

Referral System, which is often combined with a stronger First Source Hiring Policy. A First Source Referral System requires employers to circulate job postings to organizations and agencies that service targeted client groups in advance of the general public. A First Source Hiring Policy goes one step further in committing employers to interview targeted job applicants within a stipulated period (e.g. 2-3 weeks) before opening up interviews to the general public. Other CBAs stipulate a specific hiring goal—either a number or percentage—that should occur through first source hiring. Provisions usually allow employers to miss these targets so long as they can demonstrate “best efforts” or “good faith efforts” in trying to reach them. But these “good faith effort” clauses have also been criticized for allowing employers to avoid hiring targeted groups, especially since litigation against such employers would be too costly for community-based groups to afford and often difficult to win in court.

- **Program monitoring and enforcement procedures with benchmark success:** The literature on CBAs primarily details and evaluates the terms or goals of particular CBAs, the legal mechanisms to achieve these targets and the organizing efforts by labour and community groups to win a negotiated agreement. Surprisingly little quantitative data is available to demonstrate whether CBAs are actually reaching their stated goals in terms of training and job placement outcomes, especially for equity-seeking and historically disadvantaged groups. Better monitoring and a robust accountability framework for results is required. Little research has been published on recruitment strategies used for bringing disadvantaged residents into job pathways because most studies cover the negotiation vs. implementation of CBAs.
- **Practices that increase the role and buy-in of employers:** Integrating contractors into early stages of training and screening means that candidates are better aware of the skills they require and/or need to strengthen in order to get hired. “Job-driven training,” specifically targeting training programs to the needs of a particular employer, can also improve the chances of equity-seeking participants securing a job following training.
- **Innovative funding models:** The level of CBA funding for resident engagement and workforce development is difficult to ascertain and likely under-reported. In the research on comparing other CBAs, funding for workforce development as a percentage of the total project cost ranged from 0.003%-1%. Generally, community organizations or service agencies conducting pre-employment or pre-apprenticeship training are responsible for outreach and recruitment. Some projects required the developer or government to hire a special “Jobs Coordinator” to assist with resident engagement and to give the implementation of CBAs an institutional priority.

Community Engagement: Lessons Learned in Resident Outreach and Recruitment

The Toronto Community Benefits Network (TCBN) brought together more than 100 diverse resident associations, community-based organizations, workforce development agencies, trade unions and others who support a vision of infrastructure development that includes inclusive training, employment and social enterprise opportunities for all residents.

Within the OLMP, TCBN took the lead role in developing and testing various strategies for reaching out to historically disadvantaged communities in Toronto.

Working with community leaders, TCBN organized nine resident engagement sessions between October 2014 and July 2015. These sessions were carried out in neighbourhoods along the future Eglinton line. It worked with specific ethnic groups, faith-based organizations, neighbourhood agencies and associations serving specific groups such as women and youth.

A variety of approaches were used to recruit participants to the sessions, chosen on the advice and consultation with community partners. Tactics included distribution of flyers, blast emails, community radio stations, word of mouth and community outreach. The approaches varied from one group to another but the overall strategy was the same – to allow each community-based organization hosting

a meeting to use its own communications tactics. The host organizations screened participants to ensure they were interested in a career in the trades and had the language skills to participate in a session. In the initial sessions, turnout exceeded expectations and, as a result, in later meetings, the number of attendees was capped.

In conjunction with the resident engagement meetings, the TCBN worked with a broad variety of community groups to identify the barriers faced by the target population to enter and to stay in the labour market. Among the chief barriers: lack of professional networks; a complex path to the building and construction trades; little understanding about how building trades associations work and the connection between pre-apprenticeship programs and union jobs or contractors; strong competition for a limited number of trades opportunities; and inadequate wrap-around supports especially affordable, accessible childcare.

A number of factors were seen as crucial to the success and execution of the resident engagement strategy:

- **Community development:** In all sessions, community leadership was a key to success. It was noted that formal mainstream employment services were sometimes perceived as complicated. By involving community leadership to manage both expectations and de-mystify employment services in a community setting, the resident engagement sessions had a key advantage. Pairing community development with workforce development is a win-win. If this strategy is to succeed, resources have to be allocated to continue building both community leadership and a volunteer base that would allow for a deep reach into the relevant communities of interest.
- **Critical mass of community residents:** If you build it, they will come. The experience with the ethno-specific sessions has demonstrated that strategically targeting these communities does bring a critical mass of residents together that would generally not access mainstream services. This may be in part due to community solidarity and community leaders who are in positions of trust, leading the outreach process.
- **Balance between resident outreach and magnitude of available opportunities:** A successful resident engagement strategy should strive for a balance between outreach and promotion and the magnitude of opportunities that would become available and when, so as to manage community expectations. Residents involved in the engagement sessions expected immediate results, which had to be skilfully and innovatively managed because of delays in the launch of the ECL construction.
- **Flexibility:** Every community is different. Outreach strategies to bring individuals to the mosque, for example, may not necessarily work in bringing youth to a community centre. Flexibility in working with different community groups is key to a successful resident engagement strategy.
- **Leveraging existing community institutions to reach residents:** While much of the focus in community work is developing capacity and leadership, our limited experience unveiled the value in leveraging already existing community institutions that have been built on grassroots organising. Identifying groups such as the ANCs, (Action for Neighbourhood Change), NIAs (Neighbourhood Improvement Areas), faith groups, etc. that have resident committees that tap directly into communities and creatively develop workforce development solutions in a collaborative format, is a promising approach that makes resident engagement meetings not only successful but cost effective.
- **Communication and follow-up:** We have learned that resident engagement is not a one-shot deal but an ongoing relationship with the community. To gain community trust, not only should the resident engagement process deliver on jobs and a construction workforce development pathway, but also maintain ongoing communication and contact with the community organisations.

- **Trades' ambassadors:** The presence of trades' ambassadors at resident engagement sessions was one of the highlights for the participants and a critical success factor in this project. At the resident engagement meetings, there was a notable level of energy and motivation when residents were able to talk first-hand and ask questions of trades people "on the tools" from various training centres for each of the trades.

Bringing it all together: Developing and Implementing a Construction Pathway

Labour market reports show that unemployment rates in the GTA in the 12 building trades identified with the ECL project compare favourably to other regions in Ontario and are falling faster than the provincial average for almost all these occupations. Continued growth in the construction industry is predicted over the next five years and qualified jobseekers are not expected to face difficulty in finding employment. Thus, the industry is a promising area for connecting economically vulnerable and historically disadvantaged individuals to opportunities.

Yet, employers in the industry face challenges in meeting their labour market needs. It is often difficult for employment counsellors and individual jobseekers to navigate the options in a complex industry. As well, service providers lack information on the needs of employers and tools that can assess jobseekers against those needs. There is no overarching service planning function across employment and training service providers to ensure that local labour market needs are met. Jobseekers are finding that pre-employment services to upgrade employment skills are not widely offered and those who are not Employment Insurance or Ontario Works eligible clients lack access to income supports to offset the cost of completing pre-apprenticeship training.

At the same time, the OLMP project has revealed near-unanimous support across sectors to achieve better integration across community engagement, workforce development, pre-apprenticeship, and job placement programs and systems.

In particular, the project has helped craft a consensus for building a dedicated construction pathway as a clear strategy for addressing the currently daunting task of service coordination planning, which is hampered by disconnected client information sharing and tracking across networks, and performance management structures that limit the extent to which inter-agency and inter-network collaboration can be incentivized.

Implementing a jobseeker pathway has many advantages. It has the potential to leverage existing strengths in the system while also addressing many of the gaps identified in the current employment and training landscape. It also provides, in the Greater Toronto Area (GTA) context, an ideal testing ground for sector-focused workforce development and local service integration in the GTA context. This learning which could be applied not only to future projects associated with Community Benefits Agreements, but also for the broader employment and training ecosystem as a whole.

Testing this pathway as an innovative, ground-breaking demonstration project focused on the Eglinton Crosstown presents an opportunity to learn what works before implementing widespread policy/program change, which can be a lengthy and complicated process. As a result, there is no need to invest resources in developing the industry expertise of all providers, since the demonstration would only focus on a handful of key service providers.

By establishing a multi-sector collaborative partnership to govern this approach, the pathway is well positioned to identify and meet the needs of a variety of stakeholders, including key players in the construction industry.

A formal labour market intermediary to plan and manage both the labour market supply and demand in a timely and effective manner with dedicated resources and structures would be a critical component of the demonstration project. This architecture would enable the intermediary body to cultivate long-lasting relationships with employers, unions, and community organizations and service providers, and would provide a solid foundation for developing deep industry expertise.

Based on the analysis of other workforce development initiatives and stakeholder consultations, along with interviews with key informants, the OLMP project proposes a model for a jobseeker pathway that involves the following core functions:

Resident engagement	Residents are engaged in the pathway through multiple channels, through an inclusive and supportive process.
Intake, assessment, exploration & planning	Residents are screened into the pathway and participate in career exploration services and assessment activities to determine whether a career in the construction sector is a suitable and desirable career path. Participants are continuously assessed throughout the pathway to ensure job readiness and aptitude for employment in construction sector.
Training	Jobseekers who demonstrate an interest in and aptitude for a career in the construction industry participate in a variety of training activities designed to prepare them for employment in the construction trades or in a non-trades construction related career. Instruction on foundational skills and technical skills is integrated to accelerate progress. Non-cognitive skills, such as self-management and interpersonal skills, are developed to ensure jobseekers have the right attitudes and skills to succeed in a construction workplace environment. Academic upgrading is provided to ensure jobseekers have minimum academic requirements for employment in construction. Jobseekers who lack basic employability skills participate in pre-employment training.
Job matching & placement	Jobseekers who are ready to begin a career in construction are matched with job opportunities and placed in construction jobs.
Retention & advancement	Follow-up is carried out with jobseekers over the long-term and retention and advancement activities, such as mentorships and additional training and certifications, are available. Follow-up is also carried out with employers to learn about jobseekers' performance and to participate in mentorship training activities.
Case management & wraparound supports	Jobseekers and case managers meet regularly throughout the pathway and work together to identify barriers and solutions. Jobseekers are supported in transitioning to other pathways as needed. Financial and wraparound supports are also available as needed, including to offset costs for: work cloths and boots; hard hats; tools; transportation; and childcare.
Pathway management, jobs brokering, monitoring & evaluation	A labour market intermediary: plans and manages pathway services to meet jobseeker and employer needs; brokers job opportunities between service providers and employers; and monitors and evaluates pathway services to identify where jobseekers succeed or falter, where service adjustments are needed, and to assess progress against objectives.

The inclusion of these core functions supports the following key components of the construction pathway model:

- **Responsive:** Prepares jobseekers to obtain and keep employment in both trades and non-trades constructions jobs. Services are aligned with job-performance needs and the pathway can adapt to ebbs and flows in labour demand. *In this report, chapter 4 includes discussion about key considerations related to Professional, Administrative and Technical career pathways, and Chapter 5 includes a discussion and considerations related to social procurement and social enterprise employment pathways.*
- **Employer and union buy-in:** Is a credible and reliable source of skilled labour by employers and unions and, in addition, employers are committed to hiring participants.
- **Jobseeker needs:** Offers an array of services and support (including financial) that can be drawn on to respond to the needs of individual residents. Those who enter the pathway at various points are supported throughout the process and are provided with the resources they need to enable them to make sound career decisions.
- **Co-ordinated and integrated service delivery:** Blends programming from traditionally separate services to allow jobseekers to transition seamlessly and accelerate their progress. Employers have a co-ordinated access point to a qualified labour pool.
- **Continuous improvement:** Collects data from jobseekers and employers through a tracking system that is co-ordinated and integrated to monitor progress toward objectives, to learn what works and to inform the continuous improvement of the model.
- **Labour market intermediary:** Provides dedicated services and staff that focus on aligning the labour market interests of employers, contractors, unions, government and community leaders to ensure that jobseeker services are the appropriate scale and design to meet local workforce development needs.
- **Technical assistance and capacity building:** Offers technical assistance, stable funding and tools to pathway service providers that enable them to foster strong relationships with other service providers, unions, contractors and industry leaders.
- **Responsive to community:** Works with community leaders to ensure that historically disadvantaged communities are aware of the job opportunities in the construction industry and can channel people into jobseeker pathways.

Seizing the Opportunity

There is a broad consensus that the construction of the Eglinton Crosstown Line affords a broad spectrum of private, public, community and not-for-profit partners with an opportunity to address the kind of growing gaps that are undermining the city's progress. The concentration of poverty in certain neighbourhoods and the deteriorating quality of jobs is creating divides that undermine the long-term well-being of our region.

Dozens of people were involved in the creation of this report. They represent the diverse nature of Toronto and they embody the goodwill that is coalescing around the issue of community benefits as part of large-scale infrastructure projects in the GTA.

The findings and proposals in this report are significant for the ECL. But the project is also a test for the future.

The Ontario government is embarking on a plan to deliver \$130 billion in infrastructure projects across the province in the next 10 years. Language regarding Community Benefits is included in the enabling legislation, the *Infrastructure for Jobs and Prosperity Act*. The Act stipulates that infrastructure planning and investment should promote community benefits that improve the well-being of a

community affected by the project, such as local job creation and training opportunities, improvement of public space within the community, and any specific benefits identified by the community. Under this legislation, bidders in construction procurement processes will have to provide a plan for creating employment opportunities arising from the construction for apprentices who are women, aboriginal persons, newcomers to Ontario, at-risk youth, veterans, or residents of the community in which the infrastructure asset is located.

The ECL provides us with a great opportunity to test the success of an innovative labour market model that can be adopted more broadly.

The need now is to find practical ways to ensure that goodwill is transformed into practical deeds.

We hope this report is a start in this respect.

RECOMMENDATIONS:

Governance of CBAs

1. Community-based organizations should have a formal governance role in CBAs to help shape and inform the process of linking residents with opportunities and to ensure accountability and monitoring of contractor compliance.
2. Grassroots community organizations that are part of engaging residents in CBAs should be supported in order to have the capacity required to effectively participate in governance structures.
3. Equity-based targets and hiring mechanisms should be legally enforceable. CBAs should target and monitor the hiring of low-income, equity seeking and historically disadvantaged groups. Geographic targeting should occur at the neighbourhood scale.
4. Baseline demographic studies should be conducted to benchmark success. Evaluating the success of CBA initiatives requires first knowing the make-up of the existing workforce before hiring and tendering begin.

Resident Outreach and Engagement

5. Invest upfront in grassroots groups and leverage existing community institutions to reach residents who face barriers to access mainstream services. Involving community leaders also helps to set and communicate the appropriate level of expectations.
6. When designing a resident engagement strategy, be flexible and tailor outreach approaches to recognize the differences among communities.
7. Engagement is not a one-shot deal. Resident engagement strategies should consider how to ensure that residents have a continuing relationship with community groups for follow-up, more information and support.
8. Involve building trades in the design, implementation and follow-up of resident engagement sessions as these ambassadors often provide unique insights into the industry that are helpful to prospective applicants.
9. Create a resident-participant database. Residents who attend an orientation, job fair or workshop should receive immediate follow-up with an individual case manager to keep them engaged for when training and jobs become available. A database is also necessary to track participants as they go through training and apprenticeships in order to report on retention rates and participation rates disaggregated according to equity-seeking and historically disadvantaged group.

10. Use a written or on-line application and/or competency test to gauge skill level and appropriateness of the participants. In doing so, it is important to keep in mind that an initial on-line application system is not as effective as a human counsellor in encouraging applicants who fail to meet the minimums to enrol in skill upgrading programs. A counsellor should therefore follow-up with all failed applicants to direct them into an appropriate training pathway (e.g. Employment Ontario; colleges, Toronto District School Board essential skills adult-upgrading, etc.).

Employment Pathway to Enable CBAs

11. Create a distinct construction pathway within the current and emerging outreach, employment and training ecosystem that is dedicated to serving jobseekers interested in pursuing a career in the construction industry. Interested residents should be referred to the pathway through multiple channels. Those who do not meet basic qualifications for apprenticeship training programs should be coached into a clear pathway for upgrading their skills so that they can become eligible.
12. Model what works. The pathway should be implemented as a demonstration project that tests a sector-focused approach to service integration and workforce development, and that provides learnings for future infrastructure projects that are linked with Community Benefits Agreements. A comprehensive monitoring and evaluation framework, as outlined in the full OLMP project report, should guide the demonstration project. Resources for the demonstration project could include a mix of financial and in-kind supports from government, ProjectCo, and philanthropic sources, and should cover all costs required to implement the proposed model.
13. Take a collaborative approach to governance and delivery. The pathway should be governed by a collaborative consortium of key stakeholders in funding, program and policy design, and service delivery. Employment and training service providers should collaborate to offer the full suite of services in the pathway. Service providers would operate under a performance management framework that incentivizes collaboration and service excellence.
14. Formal labour market intermediary. The pathway should include a formal labour market intermediary organization that plans and manages the execution of pathway services, and brokers employment opportunities between employment service providers and ProjectCo employers.
15. Capable service providers. Service providers should be selected based on a set of pre-established criteria, including the extent to which providers' existing service models align with the proposed model and their outcomes. Providers should be selected by the intermediary through a competitive process and should receive some upfront funding and lead-time to develop programming, processes, and expertise.
16. Grounded in the community. The pathway should be grounded in local communities through its connection to place-based hubs or similar community-based infrastructure that are involved in resident outreach and engagement through multiple channels. Some pathway services could also be located at these local hubs.
17. Start early. Training must be well timed in advance of hiring waves, particularly for residents who require basic skills upgrading. Monitoring systems must be up and running when hiring commences. "Quick wins" can build the profile of the program and buy-in from stakeholders, and provide early identification of implementation challenges.

Next Steps

As a next step, a plan for operationalizing the model should be developed that aims to achieve the following:

- Confirm support among key stakeholders for a demonstration project for a dedicated jobseeker pathway;
- Assess the capacity of service providers interested and willing to participate in the demonstration project (e.g. Can they deliver the model well? Do they have/can they develop industry expertise? Can they perform research tasks such as administer participant surveys and record participant information accurately in information management systems?);
- Estimate the appropriate scale and eligibility and suitability criteria for the construction pathway demonstration project once ProjectCo and Metrolinx have signed the project agreement, which will include a plan for hiring historically disadvantaged residents;
- Identify an appropriate and feasible comparison group for estimating pathway impacts;
- Determine estimates of effect size/variability that should be used in the design of the evaluation of impacts; and
- Estimate costs.