
REPORT TITLE: Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

FROM: Janice Sheehy, Commissioner of Human Services

RECOMMENDATION

That the recommendations as outlined in the report from the Commissioner of Human Services titled “Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts” be endorsed and implemented.

REPORT HIGHLIGHTS

- With the onset of the emergency phase of the COVID-19 pandemic in March 2020, the Community Investment Program (CIP) pivoted. This was done to assist Peel’s not-for-profit sector to adapt their service delivery models so that the most vulnerable populations could continue to have access to the necessities of life.
- On May 14, 2020 in a report to Council, it was noted that to best support Peel’s not-for-profit sector during the medium to long-term strategy phases of COVID-19, staff would need to review and realign the Community Investment Program’s 2020 funding streams.
- In June 2020 staff conducted a Community Investment Program Recovery Planning survey to 71 currently funded agencies to identify organizational capacity, funding impacts, and gaps that Peel’s not-for-profits will face during the next phase of the pandemic.
- Community Investment Program Recovery Planning survey findings reveal 99 per cent of all 2020 CIP funded not-for-profits are open and have modified their operations. The most significant concern among agencies was financial impacts as they pertain to technology, staffing, program delivery, training and support.
- To support Peel’s not-for-profit agencies and better assist the with the medium and long-term phases of the pandemic, the Community Investment Program will need to provide flexibility with the existing 2020 grants and going forward, and realign the 2020 Change and Capacity Fund as per the specified delegated authority of the Commissioner of Human Services and Director responsible for the Community Investment Program (Document Execution By-law 32-2017, as amended).

DISCUSSION

1. Background

With the onset of the emergency phase of the COVID-19 pandemic in March 2020, the Community Investment Program pivoted direction. This was done to assist Peel’s not-for-profit sector to adapt their service delivery models so that the most vulnerable populations could continue to have access to the necessities of life during the pandemic. On May 14, 2020 in a Regional Council report, titled “Community Agencies in Receipt of COVID-19 Funding”, it was noted that to best support Peel’s not-for-profit sector during the medium to

Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

long-term strategy phases of COVID-19, staff would need to review and realign the Community Investment Program's 2020 funding streams.

2. 2020 Community Investment Program Supports Peel's Most Vulnerable

The July 9, 2020 companion report on today's agenda titled "Community Investment Program 2019 Update," states that in 2019 the Community Investment Program supported 107 not-for-profit agencies, that provided 843 programs and services that reached 735,440 residents in Peel. The Community Investment Program aligns to the Region's 2015-2035 Strategic Plan.

In December 2019, Regional Council approved the 2020 Community Investment Program budget of \$7,735,122. The goal of the Region's Community Investment Program is to enable a strong and sustainable not-for-profit sector that meets the needs of Peel's most vulnerable residents and advances community impact.

Below is a breakdown of the Community Investment fund budget for 2020; 73 per cent of funding has been allocated:

Table 1: 2020 Community Investment Program Funds

Fund	2020 Budget	Status
Core Fund	\$5,207,722	100% allocated
Transitional Fund	\$ 500,000	100% allocated
Change Fund	\$1,000,000	\$910,968 available for reallocation to focus on COVID-19 Post Recovery Efforts
Capacity Fund	\$ 400,000	\$375,000 available for reallocation to focus on COVID-19 Post Recovery Efforts
Small Capital Fund	\$ 311,400	\$135,275 available to be released in fall 2020 "no change in focus"
Agriculture Fund	\$ 16,000	To be released in fall 2020 "no change in focus"
Social Enterprise	\$ 300,000	Deferred to 2022
Total	\$7,735,122	

- a) **Core Fund** – This fund supports core management positions and operational costs for not-for-profits to maintain service delivery. Total funding is up to 30 per cent of the agency's annual expenses with a \$100,000 maximum. The fund application cycle opens once every two years. The Core fund supported 67 agencies and has seen a 20 per cent (additional 11 agencies) increase from 2019 to 2020 and further, it supports 198 staffing positions and core operational infrastructure. The 2020 Core funded not-for-profits represent the following Peel sectors: children, youth and families; Mental Health and Addictions; multiservice and community programs; Employment and income supports; Domestic Violence and crisis supports; Disabilities; Capacity building (Housing and Homelessness; Newcomer/Settlement and Food Security).

Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

- b) **Transitional Fund** - This one-year fund, was endorsed by Council in May 2019 to support 13 agencies that would experience a loss or reduction of funding with the implementation of the new enhanced 2020 Community Investment Program.

3. Community Investment Program Funding for COVID-19

The Community Investment Program has played a key role in enabling the response by Peel's not-for-profit sector during COVID-19. In addition, the Community Investment team has worked collaboratively with the local municipalities, the United Way of Greater Toronto, Provincial and Federal funders, Community Foundations and other Regional Community Investment Programs (City of Toronto, Hamilton, Halton, York, Durham) to collectively respond to the impacts faced by the not-for-profit sector.

To support and address urgent and emerging issues during the pandemic, Community Partnerships has been co-leading a regional Community Response Table (CRT) with Health Services. The Community Response Table is comprised of representatives from more than 90 community agencies, not-for-profit agencies, school boards and the local municipalities. Eighty-three per cent of the Community Response Table participants are receiving funding through the Community Investment Program.

In March 2020, a survey was administered to the Community Response Table participants to better understand how Peel community agencies are being impacted by COVID-19 and identify how best to meet their needs. The survey results demonstrated the following: 57 per cent of respondents are facing immediate program closures and 39 per cent had staff working remotely, with 15 per cent having to lay off or plan to lay off staff. Fifty-three per cent of organizations identified loss of essential revenue through fee-based services, loss of donations, and planned fundraising events that will be cancelled.

On March 26, 2020, Regional Council approved funding of \$1,000,000 establishing a COVID-19 Emergency Fund through the Community Investment Program. Given the demand for funding, on April 9, 2020, Regional Council approved a motion (Resolution Number 2020-356) authorizing staff to process applications above the initial \$1,000,000 allocation.

On April 23, 2020 Regional Council granted staff the authority to enter into agreements with the Federal and Provincial governments to administer \$11,835,021 of funding as per the program directives and in response to local needs. To reflect both the broader scope of programs and services that are eligible under this new funding, the COVID-19 Emergency Fund was renamed the COVID-19 Community Fund. As of June 24, 2020, the Region has flowed \$3,002,655 to 116 agencies through the COVID-19 Community Fund.

4. The Community Investment Program (CIP) Recovery Planning Survey

In June 2020 staff conducted a Community Investment Program Recovery Planning survey to 71 funded agencies to better understand their current organizational capacity, impact of changes to funding and gaps they anticipate throughout the recovery phases of the pandemic. Some of the findings are summarized below.

- a) **Service Delivery.** COVID-19 has impacted the way the not-for-profit sector in Peel is delivering programs and services. Eighty-two per cent of CIP funded not-for-profits remained open but modified their operations to align with Public Health COVID-19 guidelines. Peel agencies adjusted their service delivery models quickly by canceling face to face and group services, restricting access to offices for clients and staff,

Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

transitioning client programs and service to online platforms, providing personal protective equipment to essential staff and, proactively altering physical spaces.

Ninety-two per cent of CIP funded not-for-profits have adapted their in-person programs and services to online and remote formats to reach clients. Fifty-three per cent of respondents are having to develop new programs and services with limited funding while 33 per cent have had to cancel programs due to lack of demand or limitations due to unbudgeted infrastructure expenses. Eighty per cent of the respondent's other funders (provincial, federal and private) have maintained existing agreements, relaxed funding restrictions and/or extended reporting deadlines, and allowed changes to funding requirements as a result of COVID-19.

- b) **Financial Impacts.** Sixty-one per cent of the respondents accessed emergency funds through multiple funding channels from other levels of government, the United Way of Greater Toronto, community foundations and private companies. However, as the pandemic enters the recovery phase, agencies will be facing unique challenges with funding, revenue, and unbudgeted expenses. Sixty per cent of CIP funded agencies has seen a decrease in revenue, with a 50 per cent increase in expenditures since the onset of COVID-19. Thirty-one per cent of respondents have not made any staffing changes due to COVID-19; and 88 per cent of agencies had to either lay off staff, reduce hours and/or redeploy staff to address COVID-19 priorities.

Among agencies, financial impacts were identified as one of the highest concerns, especially as they plan for recovery. When asked how the Region of Peel can best support the not-for-profit sector, the following funding needs were identified:

- i. Provide financial assistance to ensure stability and timely distribution of existing 2020 CIP funding streams, increase flexibility with the use of existing grants/contribution agreements, increase funding available for COVID-19 related expenses/bridge funding to the "next normal", including space stabilization, technology and loss of earned income.
- ii. Provide financial assistance for unbudgeted technology expenses; Peel's not-for-profits is seeking critical information about online tools that are accessible, efficient and effective and can meet their needs. Respondents expressed the need for funding to support IT infrastructure that previously did not exist, new upgrades, and privacy resources for staff and clients.
- iii. Provide financial assistance for capacity building to help agencies adapt based on Public Health guidelines and long term (re)visioning at the organizational and sector levels.
- iv. Provide capacity building for human resources, legal and risk mitigation issues.

5. Reallocation of 2020 CIP Funding Streams During Pandemic Recovery and Rebuild Phases

When polled, CIP funded agencies were fairly optimistic about their organization's ability to recover from COVID-19. In response to the challenges that have been documented by Peel's not-for-profit sector, and to ensure agencies are properly supported staff recommend the following:

- a) Reallocation of the remaining funding (\$1.285M) in the 2020 Capacity Building and Change Funds, to support agencies during the medium- and long-term phases of the pandemic.

Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

- i. **Capacity Building Fund** – reduce the maximum amount awarded from \$60,000 to \$30,000 to provide more reach to support and strengthen infrastructure with a focus on COVID-19 priorities related to Adaptive, Operational and Financial Capacity.
 - ii. **Change Fund** - adjust funding availability from two years to one year; reduce the maximum amount awarded from \$200,000 to \$50,000 to provide more reach. The fund will empower communities and not-for-profit groups to stabilize, rebuild and reconvene during the medium and long-term phases of COVID-19.
 - iii. **Core and Transitional Fund** - allow agencies currently funded for Core and Transitional funding to amend funding to better align with their COVID-19 funding needs.
- b) Further, as a result of the pandemic, defer the start of the Social Enterprise two-year pilot to 2022. The pilot was created to assist community agencies to develop social enterprise initiatives that provide work opportunities for individuals facing employment barriers. For example, selling goods and services in the open market and reinvesting the money back into local businesses that better serve the community. At this time, it is believed that capacity is limited in the sector to undertake broad new initiatives.
- c) Staff will return to Council in 2021 with a summary report of all funding stream allocations through a 2020 Community Investment Program Update.

6. Agencies Not Funded Through the 2020 CIP Funding Streams

Agencies that have not been funded through the 2020 Community Investment Program funding streams, can continue to apply for financial assistance through the COVID-19 Community Fund. The fund remains available to assist the not-for-profit sector in modifying their operations to adapt to the medium and long-term phases of the pandemic. The fund is open to any agency that is incorporated as a not-for-profit organization, located in the Region of Peel and serving vulnerable residents.

RISK CONSIDERATIONS

Due to the pandemic, agencies are experiencing unbudgeted infrastructure expenses to adapt to new service delivery models. By not allowing agencies to be flexible with current 2020 grants to realign to COVID-19 expenses, there may be closures or the curtailing of essential programs and services, ultimately affecting our most vulnerable populations.

FINANCIAL IMPLICATIONS

As noted, the Community Investment Program will need to support Peel not-for-profit agencies during the medium and long-term phases of the pandemic and provide flexibility within the existing 2020 grant budget of \$7,735,122, with no net impact.

CONCLUSION

Peel's not-for-profit sector has demonstrated resiliency by continuing to provide essential programs and services in unique and collaborative ways to vulnerable residents during this pandemic. The Community Investment Program will continue to support the not-for-profit sector, helping agencies to adapt, strengthen organizational infrastructure and their capacity to deliver programs and services in new ways.

Aligning 2020 Community Investment Program to COVID-19 Post Recovery Efforts

For further information regarding this report, please contact Sonia Pace, Director, Community Partnerships, ext. 380, Sonia.pace@peelregion.ca

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Reviewed and/or approved in workflow by:

Department Commissioner, Division Director and Financial Support Unit.

Final approval is by the Chief Administrative Officer.

A handwritten signature in black ink that reads "Nancy Polsinelli". The signature is written in a cursive, flowing style.

N. Polsinelli, Interim Chief Administrative Officer