

## **Community Investment Funding Programs – Review and Recommended Framework**

**Date:** February 14, 2017

**To:** Community Development and Recreation Committee

**From:** Executive Director, Social Development, Finance and Administration

**Wards:** All

### **SUMMARY**

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This report responds to Council direction to review five grant programs under Community Investment Funding Program (CIF): Community Recreation, Community Festivals, Access, Equity & Human Rights (AEHR), Community Safety Investment (CSI), and Service Development & Improvement Program (SDIP), to ensure that they:

- align with and advance the City's strategic priorities
- better support new and emerging community groups
- respond to the changing needs of the community sector.

As a result of a comprehensive review process that engaged over four hundred and sixty (460) respondents through an online survey, key informant interviews, literature reviews, round table consultations and town hall sessions, a new funding framework is recommended that will merge the five (5) CIF grant programs into three (3) new CIF grant programs:

1. Community Projects and Events grants
2. Neighbourhood Micro-grants
3. Capacity Building grants.

The implementation of the new CIF will be phased in over two years commencing in 2017 at which time the outstanding balance of the original 2016 CIF grant programs will be restructured into the new CIF, subject to Council 2017 operating budget approval. The full allocation of funds to the new CIF grant programs will begin in 2018 with 60% of funds allocated for projects, events and neighbourhood micro-grants and 40% of funds for capacity building grants. The Identify 'N Impact (INI) and Community Crisis Response grant programs will remain unchanged, but will form part of the new CIF. The new CIF improves transparency and accountability by including community representatives on grant review and allocation panels. A summary chart of the proposed grant changes is included in Appendix A.

## RECOMMENDATIONS

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The Executive Director, Social Development, Finance and Administration recommend that:

1. City Council approve reframing the existing five (5) Community Investment Funding (CIF) grant programs: Access Equity and Human Rights Investment Funding, Community Safety Investment Funding, Community Festivals & Special Events Investment Funding, Community Recreation Investment Funding, and Service Development Investment Program into three (3) CIF grant programs: 1) Community Projects and Events grants; 2) Neighbourhood Micro-grants; and 3) Capacity Building grants;
2. City Council approve the new CIF framework to advance Council approved social development strategies and support City divisional service plans;
3. City Council approve the new CIF grant framework with a focus on:
  - a. Time limited grants for projects and events, including the introduction of Neighbourhood Micro-grants;
  - b. Capacity building grants including building the capacity of not-for-profits to govern effectively;
  - c. Two stage application process to reduce the administrative burden of applicant groups;
  - d. Separate grants processes for new and emerging groups to increase access; and,
  - e. Community representatives on grant review, allocation and appeals panels to increase transparency and accountability in grants processes
4. City Council approve distribution of funds included in the 2017 SDFA Community Investment Funding budget, to the new CIF grant programs: \$1,000,000 for community projects and events grants; \$250,000 for neighbourhood micro-grants; and \$450,000 for capacity building grants to support the not-for-profit sector and the remaining \$1,315,000 for the final year of multi-year grants in the former CIF grant programs (Access Equity and Human Rights, Community Safety, Community Recreation and Community Festivals & Special Events), and continuing Identify N Impact grants and Community Crisis Response grants.
5. City Council approve the distribution of CIF program allocation in 2018 and onward: 60% for the project/event/micro-grant program, and 40% for the capacity building grant program;
6. City Council delegate authority to the Executive Director, Social Development, Finance and Administration to approve, issue and enter into agreements for neighbourhood micro-grants to selected proponents and report back to the Community Development and Recreation Committee on awards made to the selected grant recipients;

7. City Council direct the Executive Director, Social Development, Finance and Administration and the Director of Equity Diversity and Human Rights to work with City of Toronto Grants Co-ordinating Committee (TGCC) to review and recommend changes to the Toronto Grants Policy. Recommended changes to include the City's Statement of Commitment to the Aboriginal community (approved by Council on July 6, 2010) and the Statement of Relationship (pending) and any other changes the TGCC deems necessary to reflect the City's responsiveness to Indigenous Peoples and Equity Diversity and Human Rights.

## **FINANCIAL IMPACT**

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The recommendations in this report will have no financial impact beyond what is included in the in the 2017 Operating Budget for Social Development, Finance and Administration (SDFA).

This report recommends allocation of \$3.015 million gross and net for the new Community Investment Funding grant program from within the 2017 Community Partnership Investment Program (CPIP) service.

There is no change in program administration resources.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

## **DECISION HISTORY**

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The City of Toronto provides support to the not-for-profit sector through funding programs under the general authority for making municipal grants provided in Section 83 of the City of Toronto Act, 2006 (S.O. 2006, c.11)

In June 2008, City Council approved the report "Options to Streamline and Improve Funding Administration" that provides a number of recommendations that streamline the grants administration process and reduce the burden on applicants.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2008.CD16.5>

On May 27, 2010 City Council adopted Appendix A attached to the report from the City Manager as the City of Toronto Statement of Commitment to Aboriginal communities in Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX45.5>

In July 2013, Council approved the "Toronto Community Grants Policy" which includes the core value of Responsiveness that guides its grant-making activities by involving the community in the ongoing review of community needs and to ensure that its Grants Programs are able to meet new and emerging needs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX32.1>

On June 10, 2015, City Council directed Social Development, Finance and Administration staff to explore ways to increase funding to new and emerging groups through a targeted approach and report back in 2016.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD4.6>

On September 30, 2015, City Council directed Social Development, Finance and Administration staff to review the five Community Investment Funding programs and to report on the results of the review prior to the 2017 funding cycle. The program review is undertaken with the goal to align with City strategic priorities, support new and emerging groups, and respond to the changing needs of the community sector.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.CD6.2>

On June 7, 2016, City Council approved report Investment Funding Programs - 2016 Allocation Recommendations for Service Development and Improvement Program and Request for Approval for New Initiatives, which included grants to pilot a resident leadership program, an organizational mentorship program and to support the development of community hubs.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDeCIFionDocumentReport&meetingId=10874>

On October 5, 2016 City Council directed Social Development, Finance and Administration staff to work with other Division Heads to review not-for-profit governance with a view to strengthening accountability, transparency and sound management; the review may involve developing training and educational programs, perhaps in cooperation with community colleges.

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDeCIFionDocumentReport&meetingId=10876>

## **COMMENTS**

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The City of Toronto uses grants to support a strong and vibrant voluntary sector; achieve its social, cultural and economic goals; engage residents in civic life and participate in decision-making; and leverage resources from the community, business and other levels of government.

The CIF program distributes a total of \$3,015,000 in time-limited grants via seven (7) funding grants: Access, Equity and Human Rights Investment Funding, Community Safety Investment Funding, Community Festivals & Special Events Investment Funding, Community Recreation Investment Funding, Service Development Investment Program; Identify 'N Impact Investment Program and Community Crisis Response Program.

On September 30, 2015 Council directed Social Development, Finance and Administration (SDFA) to undertake a comprehensive review of five (5) of the seven CIF grant programs with the roll out of new and/or revised grant programs in spring 2017.

The purpose of the review was to:

- ensure that community investment programs are aligned with and advance the City's strategic priorities

- find ways to better support new and emerging community groups
- respond to the changing needs of the community sector.

## **Community Engagement**

The framework for the community consultation and program development included:

- applying a City strategies lens to the refined and/or new grant programs
- funding for community and resident impact
- funding for equitable outcomes.

The community consultation process included meaningful engagement of stakeholders in the design, development and implementation of the new recommended funding approach. The process was iterative and co-created with the community to ensure a feedback loop was in place to enhance accountability to the community throughout the engagement.

Engagement activities included: a community survey completed by one hundred and sixty-seven (167) respondents; nine (9) community roundtable sessions across the City; four (4) town hall feedback sessions which included one with Indigenous organizations and another with funders. Feedback from four hundred and sixty (460) respondents, grantees, city staff, Councillors and funders informed the recommended new CIF programs.

## **What We Heard**

There was general agreement from the feedback received that the CIF grant programs: lacked clarity, did not reflect enough community priorities and were unresponsive to the current community context. Recommendations included: tying grants to City strategies, supporting emerging issues, building community and organizational capacity, promoting community engagement and civic participation and providing funding that targets root causes of poverty and address solutions.

The need to support new and emerging groups regardless of their size, or years of operation, was a common theme. There were suggestions for entry-level grants or micro funding to allow more grants to be made available for new and grass roots groups.

Respondents called for more support for community capacity building including: support for program development and evaluation, strategic planning, and community outreach and partnerships.

Other recommendations supported community representation in decision making by including community representatives along with City staff in grant review and appeal panels. Representation on the panels would be time limited and reflective of the community sector, including individuals with lived experience.

A jurisdictional review consisting of twenty-three (23) selected Canadian and American Cities was conducted as part of the development of the recommended CIF program. All

municipalities have some form of granting program that supports various activities related to specific strategies. Granting programs provide project specific, core or on-going funding and in a few instances special projects or emergency funding and "seed" funding. Most granting programs utilize an on-line granting system and many grants require that applicants secure a matching component to the grant. These practices were considered in the development of the framework ensuring responsiveness to the diversity of Toronto's not for profit sector.

In response to the Truth and Reconciliation Commission's call to action, respondents from Indigenous organizations recommended that the new granting framework seek to build a unique relationship with Indigenous organizations to partner, support and build the capacity of Indigenous peoples and organizations as reflected in Statement 4 of the Statement of Commitments the City adopted in May 27, 2010. Statement 4 states:

The City commits to working with Aboriginal partners to explore ways to strengthen the capacity of Aboriginal organizations and associations to plan, lead and deliver initiatives for local Aboriginal communities. The City also commits to engaging Aboriginal communities in the City's decision-making process, to removing barriers to civic participation and to increasing the representation and role of Aboriginal people on municipal boards and committees.

Details of survey results are contained in Appendix C and summaries of the themes identified through roundtables and town hall sessions are included in Appendix D.

### **Aligning to City Strategies**

The recommended CIF program reframes five (5) CIF grant programs: Access Equity and Human Rights; Community Safety; Community Festivals; Community Recreation; and Service Development Partnership, into three (3) new grant programs that advance the City's social development strategies and goals. The activities funded in the former grant programs will be used to advance strategies through the following new grant programs:

- 1) Community Projects and Events grants
- 2) Neighbourhood Micro-grants
- 3) Capacity Building.

In order to be eligible for the new CIF program, applicants will need to demonstrate how their grant application aligns with at least two of the following City strategies: Poverty Reduction (PRS); Toronto Strong Neighbourhood Strategy (TSNS) 2020; Toronto Youth Equity Strategy (TYES); Seniors Strategy; Newcomers Strategy; and Human Trafficking. These strategies support divisional service plans such as: the Recreation Service Plan; Parks Plan and Equity Diversity and Human Right's Strategic Plan.

SDFA Community Funding Unit staff will continue to work with divisional staff to identify evidence based, fundable activities that advance strategies and service plans. The grant calls will be updated annually to reflect priorities and strengthen the monitoring

and evaluation of funded activities. Divisional staff leads will be involved in the adjudication of grant applications.

## **Supporting New and Emerging Groups**

In May 2015, Council directed SDFA staff to explore ways to increase funding to new and emerging groups through a targeted approach. The CIF program review provided an opportunity to engage the community sector in identifying strategies for supporting emerging groups. For the purposes of the CIF program, groups are considered new and emerging if they have a low number of staff or are volunteer managed and have an operating budget of less than \$500,000.

The recommended CIF introduces \$250,000 in funding for Neighbourhood Micro-grants for the TSNS Neighbourhood Planning tables to implement activities identified in TSNS Neighbourhood Action Plans. Currently there are fifteen (15) TSNS Neighbourhood Planning Tables representing thirty-one (31) Neighbourhood Improvement Areas (NIAs) as well as five (5) networks that support the Emerging Neighbourhood Planning Tables. Neighbourhood Micro-grants support new and emerging groups by providing the support of the Neighbourhood Planning Tables in their project development and implementation. They provide greater support for resident engagement and leadership development.

The Neighbourhood Micro-grants will fund social, educational, and recreational activities such as:

- community forums, speak outs, education forums;
- employment training events, skills workshops;
- meet and greet events, community tours;
- health workshops, youth, seniors or intergenerational activities; and
- community gardening events, walking tours.

Other requirements of the Neighbourhood Micro-grants include:

- activities must occur within a six (6) month period;
- resident involvement in planning and delivery of local action;
- grant activities must align with at least one of the five (5) TSNS Urban Heart Domains: Health Living; Physical Surroundings; Economic Opportunities; Social Development, Participation in Decision-Making; and
- activities funded must be one-time impactful events; these funds do not support extension of ongoing City or non-profit sector programs.

The Neighbourhoods Micro-grants will be recommended by SDFA staff and approved by the Executive Director of SDFA.

## **Responding to Changing Needs in the Community Sector**

A clear and consistent feedback theme from the review was the need for more core, program and multi-year funding to strengthen the community sector's capacity and

sustainability. The demand for funding support from both small and large organizations outstrips available funding each year. In 2016, the total community investment funding requested was over \$12M or for every six (6) groups that applied for funding, only one (1) project was funded. While not all applications met the eligibility criteria, it is estimated that an additional \$1.8M in funding would be required to fund all recommended applicants. It is in response to this funding need that the new CIF recommends a distribution of 60% for the project/event/micro-grant program, and 40% for the capacity building grant program.

As well, as the funding landscape in Toronto is shifting, respondents called for more clearly defined roles and coordination among funders. For example, the Ontario Trillium Foundation (OTF) has transformed their funding model moving to a more outcomes based approach grounded in the Canadian Index of Wellbeing. The United Way of Toronto and York Region (UWTYR) is also in the midst of transforming their funding by moving toward a community impact approach with three (3) funding streams: Anchor, Program and Project. SDFCA is working with UWTYR to coordinate and align funding and investment strategies to ensure resources are directed to where the need is greatest. Memo on funding changes from the United Way Toronto York Region is included in Appendix B.

## **New CIF Framework:**

### **Grant Programs**

The new CIF will reaffirm community investment funding with a focus on three (3) time-limited funding programs:

1. Community Projects and Events grants
2. Neighbourhood Micro-grants
3. Capacity Building Grants.

Within each of these three (3) funding programs the objective is to achieve resident and community impact by funding activities that achieve the following outcomes:

- build resident engagement by supporting residents to connect, learn and act to improve their neighbourhoods and community
- build community leadership through models that build skills, forge inter-sectoral and cross cultural networks and support peer to peer learning and mentorship
- create projects and resources that are grounded in the lived experience of residents and the creation of community knowledge and assets.

Sixty percent (60%) of CIF funds will be allocated to projects, events and neighbourhood micro-grants and 40% of CIF funds will be allocated to capacity building.

Projects, events and neighbourhood micro-grant fundable activities include: events, festivals, community clean ups, beautification efforts, recreation, community based research (needs assessments, asset mapping, and evaluation), audits (access equity and human rights, or safety), community outreach, awareness raising, campaigns and toolkits.



Capacity building activities that can be funded will include broad based and targeted skills training programs to strengthen organizational governance and resiliency. In 2016 a grant was issued to inform the development of the capacity building portion of the recommended CIF. The deliverables of this grant will develop a theory of change to inform evaluation of the capacity building activities, a city-wide engagement process with new and emerging and established groups to inform the focus and delivery methods for the capacity building funding, and a granting model that articulates the specific municipal role in capacity building.

The capacity building grant model will be brought to Council in the fall of 2017 for approval prior to the grant call. Council will continue to approve these grant allocations.

### **Application process**

The engagement findings underscored the importance of a clear and easy to navigate grants process. This was reinforced in the sessions with Councillors and their staff. The application will move from a one time, full application process to a two- stage process that includes an initial streamlined application and, pending approval of the Letter of Intent, a fuller application or in person presentation process. A new user-friendly online grant application and management system will be procured in 2017 to respond to the need for an accessible system. Organizations will be able to conduct a grant eligibility self-assessment prior to completing their application.

This new staged process is designed to ensure the appropriate information is received for decision making without unduly burdening grant seeking organizations.

Additional support will be provided to new and emerging groups following the Letter of Intent phase to enhance the eligibility of the request through the subsequent application process. There was strong support (86% in survey and 72% in roundtables) for a two-stage process.

Building on need for enhanced support for new and emerging groups, their applications will be adjudicated separately from applications from established organizations. This change responds to the perception on the part of new and emerging groups that they are disadvantaged in the current process when they compete against established groups.

### **Grant Adjudication Process**

The review and recommendation of applications for funding will change from this work being undertaken solely by Agency Review Officers in the Community Funding Unit to a multi-sector review panel that includes staff and community representatives.

The review engagement results pointed to strong support (84%) for a continued role for Agency Review Officers in the adjudication process. This result was augmented with a desire to also include representatives from community organizations, groups who have been previously funded, and residents.

Concerns were raised about managing conflict of interest in the review process and sensitivity to the recruitment and selection of a diverse review panel. Community Funding staff will use the results from their experience with recruiting members for the Community Selection Committee for the Latin American Community Legacy grant, best practices within the City on the recruitment of residents to City boards, agencies and commissions, and the experience of other Toronto funders in using community panels to inform this change.

## **Appeals**

The appeals process will be fine-tuned so that only applicants who request funds for eligible activities and who have been recommended by the review panel for funding, but are not funded due to insufficient funding will be eligible to appeal (77% of survey respondents support this change). Appeals will continue to be considered through both written and oral presentation formats and adjudicated by a multi-sector panel.

## **CIF Evaluation**

Community Funding Unit staff will conduct process evaluations for each component of the recommended CIF program to learn from our community sector partners and identify how each component can be further improved. Staff will update the reporting requirements for the community projects and events and micro-grant programs to measure community outcomes. The capacity building grant stream applications will require a theory of change model to measure outcomes and impacts.

## **CIF Implementation**

Implementation of the new CIF will be phased in over two years commencing in April 2017, at which time the outstanding balance of the original Community Investment Funding programs will be restructured into the new CIF, subject to Council approval. The full allocation of funds to the new CIF grant programs will begin in 2018 with 60% of funds allocated for Community Projects and Events and Neighbourhood Micro-Grants and 40% of funds for Capacity Building Grants. The City's role in addition to grant funding includes convening, capacity building and enabling access to city expertise and resources. It commits to enhancing the not for profit sector through increased capacity building that strengthens skills, networks and resiliency. The Identify 'N Impact (INI) and Community Crisis Response grant programs will remain unchanged, but will form part of the new CIF program. Additionally, the CIF funded two pilot projects - Local Champions and Organizational Mentors will be evaluated with results reported to Council in Fall 2017. The processes outlined in the CIF Implementation have been reviewed with Internal Audit.

## **CONTACT**

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## **SIGNATURE**

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Chris Brillinger  
Executive Director, Social Development, Finance and Administration

## **ATTACHMENTS**

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APPENDIX A – SUMMARY CHART OF PROPOSED GRANT CHANGES  
APPENDIX B – MEMO ON UNITED WAY TORONTO YORK REGION FUNDING  
CHANGES  
APPENDIX C – ENGAGEMENT RESULTS: SURVEY  
APPENDIX D – ENGAGEMENT RESULTS: SUMMARY OF QUALITATIVE THEMES