

## **Addressing Reconciliation and Equity via Community Funding**

**Date:** November 12, 2024

**To:** Economic and Community Development Committee

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

**Wards:** All

### **SUMMARY**

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Social Development, Finance and Administration has been working closely with leaders within the not-for-profit sector to support the needs of Indigenous, Black, and equity-deserving communities that possess multiple vulnerabilities and remain disproportionately impacted by the aftermath of the pandemic and the ongoing affordability crisis. This work has focused on increasing financial resources while streamlining processes and adding supports to reduce administrative burden and increase impact, ensuring funding is fully inclusive and accessible in a way that deepens equity, removes barriers, and cultivates long-term commitments to Indigenous, Black and equity-deserving communities.

This report provides an update on three grant making practices that are effectively advancing the City's reconciliation and equity commitments: Indigenous Funding Framework; Black Mandated Funding Framework; and the broader Community Service Partnerships.

The Indigenous Funding Framework has been co-designed with leaders from the Indigenous community and with support from the Indigenous Affairs Office. It builds on policy and procedural changes Social Development, Finance and Administration has made since 2018 to prioritize supportive funding relationships that enshrine the right to self-determination for Indigenous organizations. The Framework includes a definition of an Indigenous organization, goals, principles, practical applications and an implementation plan that will guide funding relationships moving forward.

This report also provides an update on progress made towards the implementation of the Black-Mandated Funding Framework (BMFF), adopted by Toronto City Council in November 2023. This Framework seeks to address historic underinvestment in community organizations that serve Toronto's diverse Black communities through tailored efforts to remove the systemic barriers experienced by Black-mandated

organizations in accessing funding. These organizations are thus strengthened to better respond to the needs of Toronto's diverse Black communities.

Thirdly, the Community Service Partnerships, Social Development, Finance and Administration's largest grant stream, which has been the focus of renewal since 2018. City staff have consistently worked to review and redesign elements of the grant stream so as to maximize impact, increase transparency, and address funding inequities. While the pace of renewal was deeply impacted by the COVID-19 pandemic, some progress has been attained. Indeed, Toronto City Council received an update and a three-year plan to complete this work in the fall of 2023. In 2024, the plan focused on internal and external stakeholder engagement, portfolio analysis, and a jurisdictional scan. Key themes that emerged from these activities are included in this report.

The 2024 Operating Budget for the total Community Partnership Investment Program (CPIP) to not-for-profit, grassroots and resident-led groups to deliver social services fuels upstream and prevention initiatives is \$29.555 million (gross and net). This report includes an overview of all grants approved with delegated authority between September 2023 and October 2024. These grants included initiatives to support youth violence prevention programs, grants to support communities as they healed in the aftermath of violent incidents, as well as those designed to support youth and resident leaders to implement initiatives to support their communities.

The grant programs administered by Social Development, Finance and Administration are highly responsive to changing needs within Toronto communities. The current delegated authority provided to the Executive Director, Social Development, Finance and Administration includes the authority to reallocate, approve or disburse one-time Community Investment grant funding, subject to the annual budget process. This report seeks to extend this authority so that the Executive Director may continue to authorize the creation of new grant programs or revise existing grant programs to address changing community priorities. Any grants created or revised through such action will align with the Toronto Grants Policy, City strategies, priorities, and the mandate of Social Development, Finance and Administration. Additionally, an overview of all grants approved with delegated authority will continue to be reported to Toronto City Council.

## **RECOMMENDATIONS**

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

1. City Council adopt the Indigenous Funding Framework in Appendix 1 of this report.
2. City Council request the Executive Director, Social Development, Finance and Administration, to report back to City Council, through the Economic and Community Development Committee, on the progress and implementation of the Indigenous Funding Framework, as part of the annual reporting on Community Funding grants.
3. City Council authorize the Executive Director, Social Development, Finance and Administration to create, revise, reallocate or approve and disburse one-time

Community Investment grants with funding allocations subject to the annual budget process.

4. City Council request the Executive Director, Social Development, Finance and Administration to report annually to the Economic and Community Development Committee on new grant programs created and grants approved through Part 3 above.

## **FINANCIAL IMPACT**

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This report provides an overview of all grants approved with delegated authority between September 2023 and October 2024. This report also identifies and discusses three grant making practices: the Indigenous Funding Framework (recommended for adoption in this report and proposed to be implemented between December 2024 to December 2026), the Black Mandated Funding Framework (adopted by Council in November 2023, and being implemented since July 2023 up to December 2025), and grants administered under the Community Service Partnerships stream. These funding streams have been co-designed with the community and are being funded through the City's existing Community Funding resources within Community Partnership and Investment (CPIP) Grants.

There are no current year or additional financial implications resulting from the recommendations in this report.

Investments of \$3.900 million (gross and net) to support the Frameworks in 2024 and future years are included in the 2024 Operating Budget of Social Development, Finance and Administration under Community Partnership and Investment Program (CPIP) grants and the Indigenous Affairs Office.

The following table details the total budget and number of groups funded through these frameworks in 2021, 2022, 2023 and 2024. The average funding over the past four years for the Indigenous Funding Framework and the Black-Mandated Funding Framework is approximately \$1.419 million (gross and net) each.

Table 1 - Funding Framework Investments 2021 - 2024

<b>Funding Framework</b>	<b>Year</b>	<b>Total Funding \$M</b>	<b>Number of Funded Groups</b>
Indigenous Funding Framework	2021	\$0.625	17
	2022	\$1.250	18
	2023	\$1.850	23
	2024	\$1.950	24
Black-Mandated Funding Framework	2021	\$0.625	20
	2022	\$1.250	40
	2023	\$1.850	49
	2024	\$1.950	49*

\* Estimated

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as presented in the Financial Impact Section.

## **RECONCILIATION AND EQUITY IMPACT STATEMENT**

Social Development, Finance and Administration works to advance social and economic equity, building strong and safe neighbourhoods for all Torontonians. The Community Funding Unit within the division provides ongoing and short-term funding to Toronto-based, not-for-profit, grassroots and resident-led groups. Community Funding aims to ensure that Indigenous, Black and equity-deserving communities have improved access to quality services and facilities. Lingering post-pandemic impacts have disproportionately affected Indigenous and Black communities and widened socio-economic gaps in employment, income, education, health, and housing. To mitigate the consequences of this exacerbation of longstanding inequities, the City is extending its commitment to a post-pandemic funding landscape that prioritizes support for Indigenous, Black and equity-deserving groups to rebalance historical underfunding.

Through consultation and research from the City of Toronto's Reconciliation Action Plan and the Toronto Action Plan to Confront Anti-Black Racism, the City's funding divisions have clear instruction to provide stable funding and resources to Indigenous and Black communities. The Community Funding Unit's commitment to the Indigenous Funding Framework, Black-Mandated Funding Framework, and the Community Service Partnerships renewal process will positively impact Indigenous, Black and other equity-deserving groups by providing direct funding and capacity building supports in these communities.

The Community Funding Unit works to ensure that groups providing services to vulnerable populations are reflective of the communities they serve and are employing culturally responsive and tailored practices. The Community Funding Unit will continue assessing how funding is being distributed across Toronto to ensure that vulnerable communities have equitable access. Enhanced tools and evaluation methods developed through the Community Services Partnership renewal will ensure that active

and ongoing changes are being implemented in the Community Funding Unit's grant streams.

## **DECISION HISTORY**

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On November 8, 2023, Toronto City Council adopted the Black-Mandated Funding Framework and received an update on the development of the Indigenous Funding Framework and the Community Service Partnerships Renewal Process.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EC7.3>

On June 14, 2023, Toronto City Council endorsed development of a new 10-year Toronto Action Plan to Confront Anti-Black Racism.

<https://www.toronto.ca/legdocs/mmis/2023/ec/bgrd/backgroundfile-236656.pdf>

On May 22, 2022, Toronto City Council received an update on the development of the Indigenous and Black-Mandated Funding Frameworks and the Community Service Partnerships Renewal Process.

<https://www.toronto.ca/legdocs/mmis/2022/ec/bgrd/backgroundfile-224490.pdf>

On April 6, 2022, Toronto City Council approved the 2022 - 2032 Reconciliation Action Plan that will map and guide the actions that the City of Toronto and the Toronto Public Service will take to achieve truth, justice and reconciliation.

<https://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX31.1>

On March 8, 2022, the Aboriginal Affairs Advisory Committee received an update on the development of the Indigenous Funding Framework.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.AA16.2>

On February 17, 2022, Toronto City Council, in adopting the 2022 Operating Budgets for the Indigenous Affairs Office and Social Development, Finance and Administration, approved new and enhanced investment into the Indigenous Funding Framework and the Black-mandated Funding Framework.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.EX30.2>

On May 5, 2021, Toronto City Council approved funding recommendations as a result of the Community Service Partnerships Renewal Process and received an update on work completed and in progress to increase funding access for Indigenous and Black-mandated groups and organizations.

<https://www.toronto.ca/legdocs/mmis/2021/ec/bgrd/backgroundfile-165762.pdf>

On November 25, 2020, Toronto City Council received an update on the Community Service Partnerships Renewal Process and an outline of proposed work regarding the development of Indigenous and Black-Mandated Funding Frameworks.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EC17.4>

On July 16, 2019, Toronto City Council approved the Community Service Partnerships Framework, as well as an appeals approach for the Community Service Partnerships funding application.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EC6.20>

On December 5, 2017, City Council adopted The Toronto Action Plan to Confront Anti-Black Racism, which outlined 80 actions and 22 recommendations for the City to undertake over five years with funding for required resources.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX29.11>

On February 2, 2010, Toronto City Council adopted the Community Partnership Strategy.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.CD30.2>

The City of Toronto provides support to the public benefit 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).

<https://www.ontario.ca/laws/statute/06c11#BK103>.

## COMMENTS

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### 1. Indigenous Funding Framework: A Journey to Action

Indigenous communities and not-for-profit organizations have long advocated for changes in grant policies and practices, increased funding to address historical inequities, and the development of Indigenous-specific grant streams. 'Our Health Counts', a community-based research project designed to gather missing information about urban Indigenous people, has highlighted the following critical considerations for improving and expanding existing health and social services; namely that:

- Census data reflects a substantial undercounting of Indigenous people due to long-standing and continued mistrust of colonial processes and institutions.<sup>1</sup>
- 63% of Indigenous adults in Toronto were unemployed at the time of the most recent survey, compared to 7% of other adults in Ontario; with approximately two in three employed Indigenous adults living at or below the before-tax low-income cutoff.<sup>2</sup>
- 87% of Indigenous adults and 92% of Indigenous children lived in households that fall below the before-tax low-income cutoff.<sup>3</sup>
- Indigenous adults aged 25 – 64 had a lower rate of high school completion (57%) compared to the general Ontario population (90%).<sup>4</sup>
- 26% of Indigenous adults in Toronto indicated that they and others in their households sometimes or often did not have enough to eat.<sup>5</sup>
- 54% of Indigenous adults in the city of Toronto reported experiencing racism, with over half reporting experiencing it within the year prior to responding to the survey.<sup>6</sup>

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<sup>1</sup> [OHC-Toronto-2021-Population-Estimates.pdf](#) (welllivinghouse.com)

<sup>2</sup> [OHC-TO-Adult-Demographics-.pdf](#) (welllivinghouse.com)

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> [Nutrition-Food-Security-OHC-Toronto.pdf](#) (welllivinghouse.com)

<sup>6</sup> [Discrimination-OHC-Toronto.pdf](#) (welllivinghouse.com)

The social determinants of health gaps documented in the 'Our Health Counts' survey reflect the enduring consequences of historical and contemporary injustices. Many disparities stem from colonization experienced by Indigenous people in Toronto and addressed in decolonizing ways by Indigenous-led not-for-profit organizations providing a range of health and social services.

Since 2018, Social Development, Finance and Administration has been working with the Toronto Aboriginal Support Services Council, leaders from Indigenous organizations, and the Indigenous Affairs Office. This collaboration aimed to achieve three primary goals: (1) to increase funding to Indigenous-led organizations and grassroots groups to address the combination of historical funding inequities and the deep need for support well-documented by 'Our Health Counts'; (2) to improve granting practices to ensure funding is accessible and flexible; and (3) to ensure that groups and organizations are able to self-determine funding priorities and needs.

Recognition of the need for an Indigenous Funding Framework to guide investments was reinforced during the COVID-19 pandemic. COVID-19 disproportionately impacted and exacerbated health gaps for Indigenous people and compelled immediate and innovative responses. Throughout this period, Indigenous organizations came together to advocate, receive, and administer enhanced funding to support their communities, spearheading unprecedented funding innovation. The City of Toronto further committed to eliminating structural barriers to funding. It provided sustainable funding and resources and shifted decision making to ensure Indigenous communities could self-determine how funding would best support community identified needs with the inclusion of actions 6, 9 and 23 in the [Reconciliation Action Plan](#).

### **Indigenous Funding Framework: Purpose and Components**

The Indigenous Funding Framework includes promising practices that are designed to cultivate meaningful relationships and structures while supporting the self-determined needs and priorities identified by Indigenous organizations and communities at large.

Co-designed with Indigenous-led community organizations, the Indigenous Funding Framework is grounded in the City of Toronto's [Statement of Commitment to Aboriginal Peoples](#), the Calls to Actions from the [Truth and Reconciliation Commission of Canada's Report](#), the Reconciliation Action Plan and the [Toronto Grants Policy](#).

The Indigenous Funding Framework consists of:

- A definition of an Indigenous organization with community defined criteria.
- Guiding principles outlining commitments to collaboration, transparency and support based on the development and nurturing of meaningful relationships between the City of Toronto and Indigenous communities.
- Goals and practical applications to guide funding approaches and the City's work towards reconciliation.
- An Implementation Plan which embeds the Framework in the actions the City will take to address historical funding inequities.

The elements of the Indigenous Funding Framework are outlined in Appendix 1.

Efforts to develop the Framework began in earnest in 2020 and continued through to 2024. It has been co-designed with the Toronto Aboriginal Supports Services Council and leaders from Indigenous social service organizations in Toronto. The Framework development process included three distinct phases: (1) research and jurisdictional scan; (2) community consultations; and (3) a "take what you need, leave what you don't" granting pilot. Key activities in the development process included:

- The establishment of an advisory committee consisting of leaders from Indigenous-led organizations funded by Social Development, Finance and Administration.
- Key informant interviews with other funding organizations.
- A grey literature review of emerging funding promising practices.
- Surveys and roundtable conversations for both Indigenous organizations and funders supporting Indigenous communities.
- A funding pilot leveraging the "take what you need, leave what you don't" approach developed by the Toronto Aboriginal Support Services Council.

A fulsome summary of the community design process, research findings and pilots is presented in Appendix 2.

As the pace of the co-design process aligned with community capacity during and in the aftermath of the pandemic, funds were dispensed to meet emergent community needs. The ongoing increases of funding to Indigenous organizations to match community needs demonstrated the City's commitment to effectively address historical underfunding. More particularly, growth occurred via the direct funding allocated to support the Framework pilots and the prioritization of reconciliation and commitment to self-determination across all funding streams. For example:

- The culturally appropriate review and prioritization of funding for the ENAGB Youth Program in two rounds of the Youth Violence Prevention grant (\$1.800 million allocated since 2020).
- The provision of funding to Nishnawbe Homes to self-determine activations aligned with the overall goals of the Local Leadership Grant program (\$0.104 million allocated since 2022).
- The pilot funding available to the Indigenous Funding Framework grew from \$0.625 million in 2021 to \$1.250 million in 2022, \$1.850 million in 2023 and \$1.950 million in 2024. The increase between 2021 and 2022 was due in part to increased funding secured during the 2022 budget process by the Indigenous Affairs Office.
- Indigenous organizations were prioritized to receive \$2.945 million in COVID-19 supports across the Mental Health Support Strategy, TO Supports funding program, COVID Equity Plan and Vaccine Engagement funding streams.

Despite these funding increases, gaps persist. Continued work is essential to address historical funding inequities. Increasing funding for Indigenous organizations will be a core reconciliation and equity key performance indicator for the Community Service Partnerships (CSP) renewal process. Notably, Indigenous-led organizations currently receive 3% of available funding in Community Service Partnerships. The development of Indigenous funding targets for this funding stream is a central element of the Implementation Plan for the Indigenous Funding Framework.



## Indigenous Funding Framework: Next Steps

The implementation of the Indigenous Funding Framework will occur across three focus areas and is detailed in Appendix 1. Implementation includes the following deliverables:

- Evaluation of the “take what you need leave what you don’t” granting pilot.
- Incorporation of the Framework’s goals and principles into the redesign of Community Services Partnerships, including the development of funding targets.
- Socialization of the Framework within Social Development, Finance and Administration, other City division and external funders.
- Review and redesign of existing funding programs to ensure alignment with the Framework.
- Ongoing advocacy for additional funding to support Indigenous organizations.

## 2. Progress Update: Black-Mandated Funding Framework

The development and adoption of the [Black-Mandated Funding Framework](#) is one of many steps the City of Toronto has taken to address funding gaps and historical underinvestment in community organizations that serve Toronto’s diverse Black communities. The Framework provides an equity-centered approach to addressing anti-Black racism in the City’s funding processes.

The Framework aligns with the City of Toronto’s ongoing commitments to address anti-Black racism through the 5-year Action Plan to Confront Anti-Black Racism and Council’s approval of the development of a renewed 10-year Action Plan to Confront Anti-Black Racism on June 14, 2023. The Framework also responds to the [United Nations International Decade for People of African Descent](#), which was recognized by the City of Toronto on March 26, 2019. The work taken up during the Decade will now continue as the Government of Canada has extended the life of the Decade until 2028.

[Adopted](#) by Toronto City Council on November 8, 2023, the Black-Mandated Funding Framework is grounded in the following principles:

- Enabling an ecosystem of support for Black community groups
- Ensuring City accountability and accessibility
- Advancing equity and self-determination

An [Implementation Plan](#) guides grants administration and advances the socialization of the Framework within Toronto’s diverse Black communities, the City of Toronto’s granting divisions, and with external funders. It includes the development of training tools and platforms to support Black-mandated organizations and groups to access funding and increases the ability of funders to track investments and partnerships connected to the Framework. In the first two phases of the Implementation Plan, the Social Development, Finance and Administration focused on both the administration of grant calls and the development of tools and relationships to socialize the Framework across spheres of influence. The third phase of the Plan will take place between January and December 2025, and is described below.

## 2023 and 2024 Funding Approaches

The 2023 interim funding approach leveraged evaluation data from pilots conducted during the period 2021 – 2023. These pilots found that providing direct and unrestricted support to Black-mandated grassroots, emerging and established organizations had positive impacts. It created a supportive ecosystem that was crucial in addressing staffing challenges and critical service gaps, especially during the post-pandemic period. The grant prioritized implementing community and social service programs based on community-identified needs and priorities, as well as strengthening operational and organizational capacity.

Four streams of funding were provided in 2023 to support the ecosystem of Black-mandated groups and organizations in Toronto.

- \$260,000 supported the delivery of enhanced intermediary/trustee supports and capacity-building infrastructure via CEE Centre for Young Black Professionals and Delta Family Resource Centre.
- \$570,000 supported 19 established, Black-mandated organizations with unrestricted funding (\$30,000 each).
- \$840,000 supported 28 grassroots/emerging groups (\$30,000 each).
- \$140,000 enhanced self-directed capacity building supports for the 28 grassroots and emerging groups (\$5,000 each).

For a full list of funded organizations, please see Appendix 5.

In September 2024, further innovations were initiated building on the learnings and [recommendations](#) gleaned from the final pilot evaluation. New components were applied to enhance and strengthen tailored grant programming reflective of the Framework goals (funding access, funding practices, and funding culture) and guiding principles. Enhancements include:

- A streamlined eligibility self-assessment tool in the Toronto Grants, Rebates and Incentives Portal. This tool ensures applicants align with the definition of a Black-mandated organization co-developed with leaders from the Black community.
- Additional opportunities for support in the application phase, including eleven engagement and information sessions. One session was offered in collaboration with the Black Resilience Cluster<sup>7</sup>. Another session was conducted in French for Black-led Francophone groups in partnership with the Toronto Newcomer Office.
- Access to multi-year funding.
- Further flexibility to address service gaps, operations and infrastructure needs to enhance outcomes for residents.

The funding program also continues to invest in the culturally-specific intermediary capacity building support model. This model is relevant for grassroots and emerging groups and was developed as an essential part of the grants administration process in the pilot phase of Framework funding.

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<sup>7</sup> As part of the City of Toronto's Community Coordination Plan, the Black Resilience Cluster (BRC) is a network of over 100 organizations, with over 70 identifying themselves as a Black-mandated organization.

The City continues to enhance connections with the ecosystem of Black-mandated groups and organizations in Toronto. This work has resulted in an increased demand for funds. While some elements of the funding approaches employed to date have provided investments to specific organizations, City staff noted a significant year-over-year increase in community demand between the 2023 to 2024 grant calls. In the 2023 grant call for grassroots and emerging groups, requests surpassed available funding by \$0.625 million, whereas the 2024 grant will result in a funding gap of approximately \$3.700 million.

## **Impact and Opportunities**

The adoption of the Black-Mandated Funding Framework has created a ripple effect of opportunities and impact. With 2023 funding, 28 grassroots and emerging Black-Mandated organizations received support to focus on organizational capacity building and direct programming for Toronto's diverse Black communities including four programs for youth, three addressing mental health, two supporting food security needs and others addressing systems navigation, arts programming and sexual health education.

Positive results continue to take form and includes activities related to City and sector leadership to advance the goals and principles of the Framework. This includes:

- Ongoing consultation with other City granting divisions, municipalities, other orders of government and foundation funders on the Framework and the development of similar approaches within their work.
- Socialization of Framework components throughout community engagement activities informing the development of the 10-Year Action Plan to Confront Anti-Black Racism.
- Enhanced engagement within Black Francophone communities.
- Development of enhanced tools and support for Black-mandated organizations/groups applying for City funding.
- Improvements to the Toronto Grants, Rebates and Incentives Portal to better track Black-mandated applicant groups, ultimately impacting our ability to monitor increased investments across all funding streams.

The implementation of the Black-Mandated Funding Framework continues to prioritize a nimble approach. This 'nimbleness' is informed by Black communities and sustained through active partnerships with the Confronting Anti-Black Racism Unit and the United Way Greater Toronto. This feature is exemplified by the supplemental funding of \$300,000 leveraged to create the African Refugee Response Fund in late 2023. This funding was designed to support Black-mandated groups and organizations providing urgent and basic needs support for African newcomers and refugees through an iterative, participatory process co-designed with community partners. Through this African Refugee Response Fund, at least 40 groups received direct funding to provide emergency, non-housing assistance.

These impacts may be analyzed using the Confronting Anti-Black Racism's UBUNTU African Impact Assessment model. The following table identifies the levels of change that have emerged during phases 1 and 2 of the implementation of the Framework.

Table 2 - Framework Impact at Individual, Group and Institutional Levels

UBUNTU Sphere of Influence	Impact
Impact on Individuals	<p>Funded organizations and groups:</p> <ul style="list-style-type: none"> <li>• Increased their ability to address recruitment and staffing gaps</li> <li>• Increased culturally relevant programs and services for Black Torontonians</li> <li>• Increased capacity of leaders to meet community needs and strengthen leadership and organizational structures</li> <li>• Reported reduced administrative burden and increased support in navigating the funding process</li> </ul>
Impact on Groups	<ul style="list-style-type: none"> <li>• Enhanced connections to the Black Resilience Cluster facilitated by the City and United Way to support service coordination and hyper local solutions</li> <li>• Organizations reported that they were able to sustain operations and expand services</li> <li>• Development and administration of the African Refugee Response Fund</li> <li>• Increased capacity of intermediary organizations to support grassroots/emerging groups</li> </ul>
Impact on Institutions	<ul style="list-style-type: none"> <li>• Intergovernmental and intersectoral collaborations, aligning approaches to supporting Black-mandated organizations to reduce funding disparities and increase the deployment of effective services</li> <li>• Several other municipalities have taken steps to develop their own funds for Black-mandated organizations, such as Peel Region</li> </ul>

### Next Steps – Phase 3 Implementation

Streamlining and investment coordination are priorities moving forward. Between January and December 2025, Social Development, Finance and Administration will collaborate with various internal and external stakeholders to streamline and coordinate investment opportunities and processes to bolster the growing support for increased equitable access to funding and deeper and more meaningful collaboration. This will include tapping into existing networks such as the Greater Toronto Area Funders Network and the Toronto Grants Coordinating Committee, as well as presenting to the Confronting Anti-Black Racism Advisory Committee in March 2025. These efforts will

advance the Black-Mandated Funding Framework while also bringing the City closer to addressing specific actions in the next iteration of the Toronto Action Plan to Confront Anti-Black Racism.

### **3. Community Service Partnerships Funding Update**

Community Service Partnerships (CSP) has been providing ongoing support to Toronto's not-for-profit, community-based organizations since amalgamation to offer high quality and relevant services that respond to the changing needs of the community and effectively strengthen the city's well-being. This funding stream now accounts for two thirds of the Community Partnership and Investment Program (CPIP) funding that is allocated annually by Social Development, Finance and Administration. The funding has been in a renewal period since 2018 during which time City staff sought to determine how it can best support a strong community-based sector that meets the needs of Indigenous, Black and equity-deserving Torontonians.

The renewal has been heavily impacted by the COVID-19 pandemic. As a result, the division prioritized the stable delivery of services and extended funding agreements with existing recipients until the end of 2026. During this extension period, Social Development, Finance and Administration has, and will continue, to work with funded organizations to ensure alignment with the Community Service Partnerships logic model and shared outcomes and will support organizations with capacity building opportunities.

In 2023, a three-year plan to review and redesign the Community Service Partnerships funding stream was presented to Toronto City Council. The 2024 planned activities completed as part of this plan include portfolio analysis, internal and external stakeholder engagement, and a jurisdictional scan of other municipalities and funders supporting the not-for-profit sector, detailed below.

#### **Portfolio Analysis – Program Models and Outcomes**

To inform the development of the new model, an in-depth analysis of the current funding portfolio was conducted in 2024. This analysis ensured the new model and future funding decisions would prioritize the diverse and evolving needs of Toronto's most vulnerable communities while maintaining the original and ongoing intent of the funding stream.

In 2023, a total of 2,273,614 unique residents benefited from 322 programs offered by 170 organizations, supported by 2,375 paid staff and 14,075 volunteers. \$16,117,003 supported direct program delivery and \$2,555,543 was provided to 89 organizations that requested core funding. Total funding for 2023 amounted to \$18,672,546, with \$558,820 directed to four Indigenous organizations and \$1,049,005 provided to 14 Black-mandated organizations.

Community Service Partnerships in 2024 supported a wide range of programs documented in Appendix 3, including those designed to support seniors, children and

youth, women, newcomers, and the not-for-profit sector. All programs align with the six shared outcomes co-developed with community organizations in 2019 included in the Community Service Partnerships logic model, which are detailed below in Table 3. For community need that is the responsibility of another order of government (e.g., health or newcomer/settlement services), Community Service Partnerships funds program models or service users not funded by other funders but in need of support within Toronto communities.

Eight of the ten Associations of Community Centres (AOCCs) currently receive a total of \$650,823 to deliver programs and services in their catchment areas. This funding represents approximately 3.5% of the total budget for the funding stream.

Table 3 - Number of Programs Associated with Community Service Partnerships Shared Outcomes

<b>Outcome</b>	<b>Number of Programs that are addressing the outcome*</b>
Increased knowledge and skill development	232
Increased pathways to services	145
Increased perceptions of safety	67
Increased public awareness about the issues facing vulnerable people and communities	64
Increased social connections	303
Mitigation of the effects of living in poverty, primarily through food access	70

\*Funded programs often align with more than one shared outcome.

## **Portfolio Analysis – Financial Impact**

The amount of Community Service Partnerships funding provided to each organization varies greatly, with funding levels often reflecting decisions made prior to amalgamation. Each organization receives funding for between 1 and 5 programs and 89 organizations dedicate up to 25% of their funding allotment to core administrative expenses. Table 4 indicates how much total funding is provided to the 170 organizations in the portfolio.

Table 4 - Total Funding by Number of Organizations

<b>2024 Funding Commitment</b>	<b>Number of Funded Organizations</b>
Up to \$30,000	26
\$30,000 to \$75,000	61
\$75,000 to \$150,000	48
\$150,000 to \$300,000	23
Over \$300,000	10
Over \$700,000	2
<b>Total Funded Organizations</b>	<b>170</b>

Organizations also receive a range of funding for each of the 322 programs supported by Community Service Partnerships. Table 5 indicates the funding range per program.

Table 5 - Funding Amount per Program

<b>Funding Range per Program</b>	<b>Number of CSP-funded programs</b>
Up to \$25K	77
\$25K - \$50K	133
\$50K-\$75K	63
\$75K-\$100K	19
Over \$100K	30
<b>Total Funded Programs</b>	<b>322</b>

The tables highlight the wide range of funding levels provided via Community Service Partnerships. A new funding model will address the significant inequities with clear guidelines and may impact the total number of organizations and programs funded under the new model.

The impacts will vary greatly depending upon the nature of programming and overall organizational stability. Much depends upon the relative level of support provided by Community Service Partnerships to not-for-profit organizations with a wide range of organizational budgets. Most funded organizations (68%) receive less than 5% of their overall revenue from the funding stream. This feature implies that Community Service Partnerships funding is primarily supplementary for these organizations. For organizations with diverse funding sources, the Community Service Partnerships

funding may be integral to the delivery of specific programs and services but not a factor for organizational stability. On the other hand, 8% of organizations are heavily reliant on this funding, with 13 organizations receiving 20% to 39.99% of their overall revenue from the funding stream, and six organizations receiving 40% or more of their total revenue from CSP. Such figures highlight the critical role the funding plays for organizations dependent on Community Service Partnerships funding and the risks that may follow.

## **Stakeholder Engagement**

Sector engagement has been central to the renewal process. Early engagement efforts were guided by a Community Advisory Committee and included:

- A survey of funded organizations to gather feedback on application formats, procedures, review processes, and capacity building needs.
- Two rounds of in-person engagements with funded organizations in the summers of 2018 and 2019 to co-develop the [Community Service Partnerships Framework](#).
- Engagement with Indigenous-led organizations in the funding portfolio in partnership with the Toronto Aboriginal Support Services Council.
- A resident focus group designed to gain an understanding of how residents want to be engaged in and receive services from not-for-profit organizations.
- Engagement with City staff and other funding bodies.

The renewal process is also leveraging the considerable feedback and direction provided to Toronto by residents and stakeholders via the development processes of many City strategies including the Reconciliation Action Plan, the Action Plan to Confront Anti-Black Racism, the Poverty Reduction Strategy, SafeTO: Toronto's Ten-Year Community Safety and Wellbeing Plan and other guiding documents. Each of these plans contain actions related to increasing support to the not-for-profit sector as it addresses the growing needs of Indigenous, Black and equity-deserving Torontonians. The Indigenous and Black-Mandated Funding Frameworks are also guiding this work. They are specifically addressing how the needs of Indigenous and Black Torontonians, and the culturally-specific not-for-profit organizations that support them, can access funding that has been historically denied.

Social Development, Finance and Administration has made every effort to close information gaps. Recognizing that the not-for-profit sector has experienced significant changes since early engagement efforts, the division conducted additional engagement activities in 2024. This included an engagement series and survey for not-for-profit organizations, grassroots groups, and Toronto residents. Engagement conversations have also begun with Members of Council.

## **2024 Engagement Series**

Assorted engagement efforts have taken place in 2024. Between August and October 2024, nine engagement sessions provided 280 participants the opportunity to learn about the Community Service Partnerships funding stream, ask questions of City staff, discuss community priorities, and provide recommendations for inclusion in the new model. Two of these sessions brought together Toronto residents. Another session



focused on engaging youth and was led in partnership with the Toronto Youth Cabinet. A French-language session engaged Francophone organizations and was facilitated in partnerships with the Toronto Newcomer Office. Due to a higher demand for virtual sessions, seven of the nine sessions were conducted via Webex.

The engagement series achieved positive outcomes and garnered strong participation from attendees. Positive outcomes include:

- **Relationship Building:** Attendees shared stories and examples from their lived experience with Community Service Partnerships and other funding streams. In most sessions, participants expressed appreciation for the engagement series.
- **Knowledge Mobilization:** Each session included a presentation and provided an opportunity for participants to ask questions of City staff.
- **Collaborative Discussion:** Each session provided opportunities to reflect on submitted responses as a group and with City staff.
- **Soliciting Feedback:** Each session included three activities. Almost 500 responses were contributed across these activities, resulting in an 82% engagement rate. Of the 280 attendees, approximately 80% provided a response during the session.

The three engagement activities addressed the questions, issues and recommendations participants had after learning more about the funding stream and renewal process. The central themes that emerged from these sessions are included below in Table 6. While some of the themes and needs expressed by community remain outside the scope of Community Service Partnerships and Social Development, Finance and Administration (e.g., affordable housing), they are shared here to demonstrate the current experience of the not-for-profit sector.

Table 6 - Community Service Partnerships Engagement Series Themes

Engagement Questions	Summary Responses
Questions: What questions should the City consider in reviewing Community Service Partnerships?	How will the City follow-up on the recommendations provided today? How will the City assess applications for eligibility and program impact? How can funding remain flexible to address community needs? How will the City engage community to ensure all stakeholders are represented?
Issues: What community issues are you facing that you think are important to address?	Affordable Housing Poverty and inequality related to cost of living Food insecurity Youth employment Community safety

Engagement Questions	Summary Responses
Recommendations: What do you recommend that may help Community Service Partnerships work well for you, your colleagues and the people you serve?	Urgent need for increased funding Need for multi-year funding commitments Desire for transparency and open communication from funders Need for capacity building and training within the sector Need for community and the sector to be engaged throughout the review and renewal process Requests for simplified applications and reporting processes

## 2024 Engagement Survey

The CSP engagement survey was open from August 19 to October 10, 2024. The survey received 195 responses, including 14 from residents and 3 from youth. Of the 178 organizations that responded, 5 were Indigenous-led, 27 were Black-mandated, 14 were grassroots groups and 164 were established organizations. When asked what sub-sectors best represent their core work, respondents most frequently indicated seniors, newcomer/ethnocultural, and general community services.

The survey provided an enhanced opportunity to solicit feedback from respondents. While many common themes are consistent with those received from the engagement series, additional context was provided that will inform the development of the new model. Survey themes include:

- **Top challenges:** Significant increased costs across the sector (capital, professional fees, salaries, and general administrative costs); rising demand for programs and services; and overall reduced revenues from other funding sources (e.g., significant changes to Employment Ontario funding).
- **Resources and Support Needed:** Increased funding; access to low-cost or free space; and enhanced partnerships and collaborations. Residents and youth noted an interest in volunteer and leadership opportunities such as sitting on boards or committees and needing access to childcare to take part in these opportunities.
- **Outcomes:** The programs and services offered by respondents are well-aligned with the shared outcomes for Community Service Partnerships, with most respondents offering services to increase social connections and mitigate the effects of living in poverty, primarily through food access. Most respondents indicated they support Torontonians who are socially isolated and living with low incomes.

The importance of core funding was emphasized repeatedly both in the engagement series and the survey. Organizations expressed the need for core funding to support staff salaries and benefits, emphasizing that without adequate staffing, programs cannot be sustained. Additionally, feedback from 77 currently funded organizations indicated similar concerns: 68% rated the funding stream as adequate but noted a need for improvements in funding amounts and additional support. 42% found Community Service Partnerships funding highly effective in meeting their needs and goals, while 38% indicated that the funding is insufficient to cover essential organizational needs.

A final theme that emerged through the engagements was eligibility criteria for funding. This issues also emerged through the monitoring of existing grant recipients. [Eligibility](#)

[criterion](#) number two was of particular concern. This criteria states that organizations must be based in and governed by the community. This criterion reflects the City's commitment to local, resident leadership. Evidence of this alignment is a governance structure where power rests with a voting membership that exceeds board membership. Some not-for-profit organizations are moving away from this governance structure. They are opting for one of the other structures available under the new [Ontario Not-for-Profit Corporations Act](#), which governs not-for-profits incorporated at the provincial level. Social Development, Finance and Administration will review this requirement as part of the renewal process. In 2025 and 2026, delegated authority will be used to pause the enforcement of this requirement while this review is underway. Social Development, Finance and Administration will explore the best option for the model given the commitment to local, resident leadership.

Three organizations have left the portfolio in 2022 and 2023 due to this requirement. City staff will work with these organizations to determine whether a funding extension for 2025 – 2026 should be offered while staff proceed with the review of the criteria.

## Council Engagement

Social Development, Finance and Administration has begun engaging members of City Council on the renewal process. Key themes that have emerged from these conversations include:

- Approaching change incrementally to minimize the impact on community.
- Resident engagement within not-for-profit organizations is important.
- Robust governance practices are key to ensuring accountability for public funds.
- Mapping services across Toronto, including in Toronto Community Housing communities is important, as well as the distinction between head office location and service locations.
- Concern regarding the disruption an open grant call could cause. Additional funding for the grant stream could prevent some of this disruption.
- Funding should be long enough to support organizations to stabilize, but not long enough that organizations become solely reliant on the City of Toronto.
- Achieving greater equity distribution and community responsiveness is an important goal.
- Demonstrating the impact of the investments on the lives of Torontonians is vital.

## Jurisdictional Scan

In 2024, City staff conducted a jurisdictional scan of municipal, provincial, and federal funding programs that support not-for-profit organizations across Canada. The scan reviewed core and multi-year program models most aligned with the ultimate outcome of Community Service Partnerships. Key themes include:

- **Funding term:** Multi-year funding terms are consistent across all funders, with terms ranging from two to five years.
- **Use of funds:** Approximately half of the operating programs profiled provided flexibility in applying funds toward core and program costs.

- **Assessment practices:** Most funders utilize external review panels to make funding recommendations. Reconciliation and equity lenses inform the composition of these panels.
- **Audited Financial Statements:** The majority of funders require annual audited financial statements.
- **Funding Priorities:** Many funders align funding priorities with reconciliation and equity strategies.

Given the significant integrated investment in organizations by both the City of Toronto and the United Way Greater Toronto, City staff will continue to consult with United Way colleagues on the renewal process. The City of Toronto also chairs the Greater Toronto Area Municipal Funders Network where the renewal of long-term funding streams is an ongoing theme with representatives sharing best practices and strategies.

## Next Steps

The final two years of the Community Service Partnerships renewal process will focus on framework design and an open grant call to select organizations aligned with the new model.

**2025:** Development of the refreshed Community Service Partnerships Framework, including:

- Alignment with the Indigenous and Black-Mandated Funding Frameworks and other City of Toronto equity policies.
- The development of reconciliation and equity key performance indicators.
- The development of a monitoring and evaluation framework to assess the impact of the new model.

**2026:** Administration of an open grant call to align funding agreements and the portfolio of agencies supported with the new model and key performance indicators.

**2027:** New funding agreements begin.

The new Community Service Partnerships model will include a number of components that align with the City of Toronto grant principles detailed in the [Toronto Grants Policy](#). These components are described in Appendix 4 and include the following: eligibility criteria, funding structure, eligible program models; reconciliation and equity key performance indicators; a monitoring and evaluation framework; an overview of the application and review processes; and information on how applicants will receive support during and after the application period. These components build on the Community Service Partnerships Framework previously adopted by Toronto City Council in 2019.

## Anticipating Change in Community Service Partnerships

The 2018 publication, [For Public Benefit Sector Framework](#), makes many observations that are relevant for planning and policy. The Framework estimates that there were

14,000 organizations within the community-based sector in Toronto when published. Many of these organizations' leaders are anticipating dire circumstances for the Sector in the coming years. The 2024 Ontario Nonprofit Survey<sup>8</sup>, conducted by the Ontario Nonprofit Network, describes a stark reality for not-for-profit organizations. This includes stagnant and declining financial resources coupled with year-over-year increased demand on programs and services. Indeed, between 2023 and 2024, 17% of nonprofits reported planned scaling back of programs, 12% reported increasing waiting lists, and 4% reported program closures. At the same time, 83% are reporting increased demand, which is a seven per cent increase from 2023.

Anticipated changes to the Community Service Partnerships portfolio engendered considerable discussion about emergent circumstances in the engagement sessions. Organizations with long-standing funding are reasonably concerned about funding cuts or loss and worry about additional uncertainty. Organizations that historically have not been able to enter the portfolio, or those with relatively small commitments, were optimistic about potential changes and eagerly await the opportunity to apply. Across all participating organizations one message was clear – existing funding allocations are insufficient to meet the persistent increased need in Toronto communities.

The insufficiency is evident in significant decline rates. Grant calls administered by Social Development, Finance and Administration often result in a high decline rate of between 32% and 76%. This is due to a strong and growing demand from communities responding to emerging trends and evolving challenges, particularly communities where funding disparities have historically existed. This demand far outweighs the available funding levels in Community Service Partnerships.

Due to prior history, especially the closed nature of the grant program, it is difficult to predict the number of applications that may be received in 2026. However, it can reasonably be anticipated that the process will result in a high decline rate and that some of the declined groups will be past long-term funding recipients. Between 2025 and 2027, Social Development, Finance and Administration will focus on designing and administering a grant call that aligns with City strategic priorities including its equity strategies with the funding that is available.

#### **4. Delegated Authority Report Back**

To ensure that grant funds are allocated each year to maximize benefit to communities, City Council provides delegated authority for the Executive Director, Social Development, Finance and Administration to:

- Approve grant recipients of investment funding programs such as the Youth Violence Prevention Grant and Community Crisis Response Fund to support youth violence prevention programming and ensure timely responses to violence and trauma in neighbourhoods.
- Approve allocations to Indigenous and Black-Mandated organizations in support of the Funding Frameworks.

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<sup>8</sup> [2024 ONN Survey - Policy Report](#) (theonnc.ca)

- Approve funding for the 170 organizations in the Community Service Partnerships funding program.
- Disburse funding to new initiatives approved by Toronto City Council.

Tables 7 and 8 summarize the grant programs where delegated authority was used in 2023 and 2024.

Table 7 - 2023 Grant Programs Allocated by Delegated Authority Since Last Report

<b>2023 Grant Programs</b>	<b># of Grant Allocations</b>	<b>Approved Amount Allocated</b>
Innovation Fund	52	\$2,463,785.00
Innovation Fund Intermediary Pre-Payments	2	\$840,000.00
TO Wards Peace Program	1	\$800,000.00
Community Service Partnerships One-Time	1	\$22,841.26
Community Crisis Response Fund	23	\$114,753.69
Community Crisis Response Fund Trustee Pre-Payments	3	\$87,000.00

Table 8 - 2024 Grant Programs Allocated by Delegated Authority (to date)

<b>2024 Grant Program</b>	<b># of Grant Allocations</b>	<b>Approved Amount Allocated</b>
Community Service Partnerships	169	\$19,523,775.90
Community Service Partnerships One-Time	1	\$312,600.00
Community Crisis Response Fund	75	\$368,880.72
Community Crisis Response Fund Trustee Pre-Payments	6	\$260,000.00
Community Crisis Response Fund Trustee Fee	4	\$75,000.00
Local Leadership Grant	11	\$323,000.00
Youth Violence Prevention	10	\$2,206,330.80
Innovation Fund	1	\$1,450,000.00
Regent Park Youth Leadership Fund (Reallocation)	2	\$10,000.00

A full list of all grant recipients and related wards approved via delegated authority between September 2023 and October 2024 is included in Appendix 5.

The grant programs administered by Social Development, Finance and Administration are highly responsive to changing needs within Toronto communities. The current delegated authority provided to the Executive Director, Social Development, Finance and Administration includes the authority to reallocate, approve or disburse one-time Community Investment grant funding, subject to the annual budget process. In consultation with City Legal, this report seeks to extend this authority so that the

Executive Director may continue to authorize the creation of new grant programs or revise existing grant programs to address changing community priorities that align with overall Council goals. Any grants created or revised through such action will align with the Toronto Grants Policy, City strategies, and the mandate of Social Development, Finance and Administration Division. Additionally, an overview of all grants approved with delegated authority will continue to be reported to Toronto City Council.

## **CONTACT**

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## **SIGNATURE**

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Denise Andrea Campbell  
Executive Director, Social Development, Finance and Administration

## **ATTACHMENTS**

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Appendix 1: Indigenous Funding Framework  
Appendix 2: Indigenous Funding Framework Development Process  
Appendix 3: Community Service partnerships Portfolio Analysis  
Appendix 4: Community Service Partnerships Model Components  
Appendix 5: List of Reallocations and Grant Recipients Approved with Delegated Authority