



Report: CC-16-02

Region of Waterloo

Ad Hoc Working Group on Grants to Community Organizations

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: October 4, 2016 **File Code:** A02-30

Subject: **Community Innovation Grants Program and Framework and Capital Grants Framework**

Recommendation:

That the Regional Municipality of Waterloo take the following actions in relation to the proposed Community Innovation Grants Program as described in Report CC-16-02, dated October 4, 2016:

- a. Approve in principle the establishment of a Community Innovation Grants Program (CIG);
- b. Approve the attached “Community Innovation Grants Framework” as set out in Appendix 1;
- c. Approve the preparation of a budget issue paper for the Community Innovation Grants Program, for consideration during the 2017 budget process;
- d. Approve Healthy, Safe & Inclusive Communities as the Strategic Plan Focus Area for the first year of the CIG program, subject to 2017 budget approval;

And that the Regional Municipality of Waterloo take the following actions in relation to the Capital Grants Framework as described in Report CC-16-02, dated October 4, 2016:

- a. Approve the recommended approach to Capital Grants;
- b. Approve the attached “Capital Grants Framework” as set out in Appendix 2.

Summary:

On May 11, 2016 Regional Council approved changes to the Community Grants and Economic Development and Promotion Grants programs. Regional Council also approved a recommendation directing the Ad Hoc Working Group on Grants to Community Organizations to report back to Administration and Finance Committee on a framework for a new Community Innovation Grants program and any other outstanding matters relating to grants. This report recommends approval in principle of a new Community Innovation Grants (CIG) program, its associated Framework, and submission of a budget issue paper for consideration during the 2017 budget process. The Ad Hoc Working Group is also recommending Council approval of a Capital Grants framework to provide a common set of criteria for the evaluation of capital grant requests from community organizations.

Report:

Community Innovation Grant Program

Waterloo Region is an innovative, collaborative and creative community that has a long history of people and organizations coming together to build community and to address pressing social needs and deal with emerging issues.

A Community Innovation Grant (CIG) Program is being proposed to harness this creative energy - to foster new collaborations and partnerships, to build on and strengthen existing ones, and to find and develop new sustainable approaches to addressing social, health, cultural, economic, environmental and other needs in Waterloo Region.

Successful social innovations are inclusive, they are often cross sectoral, and they have a quantifiable impact on the broader conditions - social, political and economic - that created the problem or community need initially.

Purpose of Community Innovation Grants Program:

The purpose of the CIG program is to provide one-time grants to support not-for-profit community organizations, partnerships, collaborations and/or networks in undertaking innovative projects that have good potential to lead to more effective, equitable and sustainable solutions that address existing and emerging needs in Waterloo Region and, that will assist in achieving the Region of Waterloo's 2015-2018 Strategic Plan objectives.

The Ad Hoc Group agreed that to ensure the maximum community benefit, it should not be the intent of Council to award a large number of CIGs in a given year, rather, the focus should be on supporting a single project or a limited number of projects that are truly innovative in their approach with a good prospect for a successful outcome and sustainability once Regional support ends.

The Ad Hoc Group discussed only awarding one CIG grant for \$50,000 each year to
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ensure maximum impact. While it was generally agreed that the number of CIGs awarded each year should be limited in number, there was not consensus on awarding just one CIG of \$50,000 each year. The group determined that for the first CIG process, it would be best to maintain flexibility for Council to determine this. Staff will comment on whether any changes are needed in the first review of the CIG program.

Accordingly, the proposed CIG Framework provides flexibility to Regional Council to choose to award only one grant up to the maximum annual budget of \$50,000, or to award several lesser amounts to a few eligible proposals up to the maximum.

Components of Region of Waterloo CIG Program:

Key features of the proposed Community Innovation Grant program include:

- Annual budget of \$50,000
- One-time grants of up to \$50,000 would be provided to eligible not-for-profit organizations, partnerships, collaborations or networks for innovative projects that support a specific Region of Waterloo Strategic Focus Area
- The Strategic Focus Area for the CIG intake would be determined each year by Regional Council with input from staff
- There would be one call for proposals each year after Council approval of the annual Regional budget
- The funding is one-time but grant recipients would have up to 24 months to complete their project
- In addition to other selection criteria, successful proposals would:
 - Demonstrate a pan-regional focus, benefit and/or scope
 - Have potential for long term sustainability once the Region's funding ends
 - Have measurable outcomes
 - Leverage funding and in-kind contributions from other sources
 - Build capacity – in its clients, the community and/or the organization
 - Involve its clients in the project in meaningful ways
- Proposals would be reviewed by a staff group who would make recommendations for CIG funding to Regional Council through Administration and Finance Committee.

Should Regional Council approve the Community Innovation Grant Program, staff will prepare a budget issue paper for consideration during the 2017 budget process.

Strategic Plan Focus Area for First CIG Proposal Intake:

The Ad Hoc Working Group discussed having the CIG grants align with the Region's corporate Strategic Plan. In order to provide focus for the applications, the Ad Hoc Working Group felt that only one focus area should be selected each year for the intake of

proposals. Accordingly, the Working Group recommends that “Healthy, Safe & Inclusive Communities” be selected as the Strategic Plan Focus Area for the first CIG intake, anticipated in 2017 subject to Council approval. Proposals would need to reflect and contribute to the achievement of at least one of the focus area’s five strategic objectives:

- 4.1 Support early learning and child development
- 4.2 Mobilize efforts to reduce poverty and the impacts it has on Waterloo Region residents
- 4.3 Increase the supply and range of affordable and supportive housing options
- 4.4 Promote and support healthy living and prevent disease and injury
- 4.5 Enhance community safety and crime prevention.

CIG Program Evaluation:

Within six months after completion of a project, the proponent will be required to report back to the Region of Waterloo on the project results including an assessment of actual outcomes versus anticipated outcomes, how the project supported the Strategic Plan Focus Area, plans for sustainability moving forward, and a final statement of how the CIG funds from the Region were used.

These results will be compiled and evaluated in a staff report on the CIG program to Administration and Finance Committee once every term of Council to ensure the program is achieving the desired outcomes and community impact.

Further details on the proposed eligibility criteria, selection criteria and process, information and reporting requirements may be found in the Community Innovation Grant Program Framework, attached as Appendix 1.

Capital Grants

Although the Region of Waterloo no longer has a direct mandate to provide capital grants to community organizations, it has in the past provided capital grants to various community organizations including some that have a partnership or ongoing service relationship with the Region.

Regional Council has also approved capital funding support for more transformative health care related community capital projects including the area hospitals’ redevelopment capital campaign in 2000, the school of medicine and the school of health sciences.

There is currently no established source of funding for such capital grant requests. In the past, health care related capital grants were primarily funded from the former Hospital Capital Reserve Fund. That fund was closed in 2013 with the remaining balance transferred to the Capital Levy Reserve Fund. Capital grants approved since then have

been funded from the Capital Levy Reserve Fund.

It is expected that the Region of Waterloo will continue to get requests from community organizations and agencies for funding to support various capital initiatives.

Accordingly, the Ad Hoc Working Group is recommending that Regional Council approve a framework to provide for a consistent approach in evaluating these requests when they are made.

Capital Grants Framework:

The object of the proposed Capital Grants Framework, attached as Appendix 2, is to ensure that in dealing with requests for one-time grants to support capital projects, the proposals are evaluated by the Region of Waterloo according to an established and common set of criteria.

Eligibility:

Subject to funding being available, the Region of Waterloo would consider capital grant requests for one-time funding from local, not-for-profit health and social service organizations with which the Region has an ongoing, established partnership or service relationship, in support of capital projects that will benefit the residents of Waterloo Region.

The framework recommends that the Region of Waterloo not accept or consider capital grant requests from organizations whose purpose is the responsibility of other levels of government or whose purpose is to provide grants to other entities. This would include agencies of the Federal, Provincial and Area Municipal governments and schools.

General Provisions:

There is nothing in the proposed framework that would obligate or require Regional Council to approve a capital grant request to an eligible organization that meets the requirements in the framework.

However, should Regional Council approve funding under the framework, there are certain recommended conditions which include but are not limited to:

- Unless otherwise approved, the maximum grant will not exceed the lesser of 25% of the capital cost or \$50,000
- The Region will not provide funding for a shortfall in a capital fundraising campaign
- The organization making the request must provide a business plan that includes a budget for the project, that demonstrates the need for the project, that includes a thorough assessment of fundraising capability, and that identifies all potential sources of funding
- Capital grant requests must be made prior to an organization acquiring or committing to the acquisition of the capital asset
- The Region of Waterloo will not provide support for ongoing funding required as a result of the capital project.

A group making a capital grant request would be referred to staff who would review the policy with the group as well as the information required to initiate a review of the request. Once all of the information has been received, staff would evaluate the request against the Capital Grants framework and make a recommendation to Regional Council through Administration and Finance Committee.

A designated source of funding for such capital grants is not being recommended. It is proposed that Regional Council would deal with each request on its own merits as such requests are made.

Further details on the proposed eligibility criteria, selection criteria and process, information and reporting requirements may be found in the Capital Grants Framework, attached as Appendix 2.

Corporate Strategic Plan:

The proposed Community Innovation Grants Program and Framework and Capital Grants Framework do not fall directly under the objectives of the Corporate Strategic Plan, however the provision of such grants enhances the social well being of the Region.

Financial Implications:

There is no provision within the 2016 operating budget for Community Innovation Grants. With the recommendations in this report, an annual budget of \$50,000 is proposed for the Community Innovation Grants Program. This will require an addition to the Region's 2017 base budget and accordingly, requires approval through a Budget Issue Paper for the 2017 budget.

There is no annual amount or source of funding proposed for Capital Grants to Community Organizations. A designated source of funding for such capital grants is not being recommended. It is proposed that Regional Council would deal with each request

on its own merits as such requests are made.

Other Department Consultations/Concurrence:

Staff in Finance have been consulted regarding the recommendations in this report.

Attachments

Appendix 1 – Community Innovation Grants Program Framework

Appendix 2 – Capital Grants Framework

Respectfully Submitted

Councillor Sean Strickland, Chair of Administration and Finance Committee and Working Group Chair

Councillor Helen Jowett, Chair of Economic Development Committee

Councillor Jane Mitchell

Councillor Karen Redman

Regional Chair Ken Seiling

Mike Murray, Chief Administrative Officer

Douglas Bartholomew Saunders, Commissioner, Community Services

Lucille Bish, Director, Cultural Services

Angela Hinchberger, Director, Treasury Services & Deputy Treasurer

Janice Kroetsch, Executive Assistant to the Regional Chair

Ofelia Patterson, Financial Analyst

Appendix 1

Community Innovation Grants (CIG) Program Framework

Introduction

Waterloo Region is an innovative, collaborative and creative community that has a long history of people and organizations coming together to build community and to address pressing social needs and deal with emerging issues.

A Community Innovation Grants (CIG) Program is being proposed to harness this creative energy - to foster new collaborations and partnerships, to build on and strengthen existing ones, and to find and develop new sustainable approaches to addressing social, health, cultural, economic, environmental and other needs in Waterloo Region.

What do we mean by innovation?

Social or community innovations may include new products, processes, services, and technology or some combination of these that provide real solutions to social problems and community needs in a manner that is more efficient, sustainable and effective than current approaches and, where the benefits go mainly to society or community as a whole rather than to private individuals. In meeting these social needs, they are also innovations that may result in the creation of new collaborations and/or relationships that will enhance our overall capacity to act moving forward. (Social Innovation eXchange [SIX], Stanford Social Innovation Review)

Community innovation means new ways of thinking and doing as we work together to address pressing community needs in Waterloo Region. Successful community innovations are inclusive, they are often cross sectoral, and they have a quantifiable impact on the broader conditions - social, political and economic - that created the problem or community need initially.

(Social Innovation Generation Waterloo
<http://www.sigeneration.ca/home/resources/primer/>)

Purpose and Budget

The purpose of the CIG program is to provide one-time grants to support not-for-profit community organizations, partnerships, collaborations and/or networks in undertaking innovative projects that have good potential to lead to more effective, equitable and sustainable solutions that address existing and emerging needs in Waterloo Region and, that will assist in achieving the Region of Waterloo's 2015-2018 Strategic Plan goals.

The Region of Waterloo will provide one-time grants to eligible organizations, partnerships, collaborations and/or networks for innovative projects that support a

specific Region of Waterloo Strategic Focus Area – determined each year by Regional Council - and that produces a desired community result (outcome). The innovation could be new or an enhancement or significant expansion of an existing initiative.

Eligible organizations include not-for-profit organizations and/or organized communities of interest based within the Waterloo Region and whose primary focus is the Waterloo Region community and its citizens.

Budget

The maximum amount to be allocated from the CIG Program by Regional Council in one year is \$50,000, to be funded by an annual contribution of \$50,000 from the Region's operating budget, subject to Council approval during the 2017 budget process.

In any year, Regional Council can decide:

- To award the entire annual budget of \$50,000 to support one eligible proposal
- To award lesser amounts to several eligible proposals up to the maximum budget of \$50,000
- To award only a portion of the total \$50,000 budget to support one or more eligible proposals, or
- To not award any Community Innovation Grants.

Should the CIG budget not be entirely allocated in any one year, the balance would be accounted for in the Region's year-end financial position.

Call for Proposals

There will be one call for proposals each year.

The Region will issue a call for proposals on its website and through social media each year following approval of the Region's annual budget.

Focus Area Selection

The Strategic Plan Focus Area for the CIG Program will be determined annually by Regional Council through A&F Committee by December 31 each year for the following year's CIG intake.

Selection Process

- a. CIG grant proposals will be reviewed by a staff group which will make recommendations on the CIG allocation(s) to Administration and Finance Committee for final approval by Regional Council.
- b. The composition of the CIG proposal review group will be determined annually based on the Strategic Plan Focus Area selected by Regional Council.

Selection Criteria

Priority will be given to the proposal(s) that:

- a. Align closely with the selected Strategic Plan Focus Area
- b. Address service **gaps** in the community
- c. Create effective platforms for networking and problem solving
- d. Avoid overlap and duplication with other existing services and programs
- e. Leverage funding and in-kind contributions from other sources
- f. Can demonstrate sustainability once the Region's project funding ends
- g. Involve collaboration, resource sharing and/or shared delivery with other organizations/agencies
- h. Involve the organization's clientele in the project in meaningful ways
- i. Build capacity – enhance and develop resilience and skills in its clients, the community, the organization
- j. Have potential for long-term impact
- k. Have clear, measurable outcomes.

Proposal Requirements

Successful proponents will demonstrate/provide:

- a. Agency effectiveness in meeting goals, serving clientele
- b. A detailed project budget and implementation plan
- c. Agency capacity to complete the project on time and on budget
- d. A clear understanding of project benefits and the expected outcomes, and how success will be measured, and
- e. Sound financial management practices through the provision of audited financial statements.

There may be occasions where proponents do not have audited financial statements. In this situation, a sponsor group or entity probably would be required.

Limitations, Other Provisions & Requirements

The funding provided by the Region of Waterloo under the CIG program is one-time only and there is no opportunity for an organization to re-apply for CIG funding for the same project/proposal.

The project must be completed within two calendar years (24 months) of the award of the grant by the Region of Waterloo.

Payment milestones will be set out in an agreement between the successful proponent and the Region.

The CIG Program will be evaluated by Regional staff once every term of Regional Council to ensure the program is achieving the desired outcomes and community impact and a

report made to Administration and Finance Committee.

Exclusions/Ineligible Organizations

The following organizations will not be considered for CIG funding:

- Hospitals
- Schools, school boards and post secondary educational institutions
- Area municipalities and/or their agencies
- Region of Waterloo departments and/or agencies
- The Provincial government and/or its agencies
- The Federal government and/or its agencies
- Local organizations whose work, clients and/or community of interest is primarily outside Waterloo Region
- Organizations based outside Waterloo Region
- Organizations or agencies whose funding, goals and/or objectives are the responsibility of another level of government
- For-profit organizations.

Note that with the exception of for-profit organizations, the ineligible organizations listed above could act as a sponsor for applicants with a worthy concept who require a sponsor.

If a specific community program and/or project has received Regional funding from another program area, that program and/or /project would not be eligible for a Community Innovation Grant. Each project funded under CIG should be unique.

The Region will not accept applications for CIG funding for:

- General operations
- Ongoing operating funding
- Major capital initiatives
- Religious proselytizing

CIG Program Evaluation

Within six months after completion of a project, the proponent will be required to report back to the Region of Waterloo on the project results including an assessment of actual outcomes versus anticipated outcomes, how the project supported the Strategic Plan Focus Area, plans for sustainability moving forward, and a final summary of how the CIG funds from the Region were used.

Recognition of the Region's Contribution

Any recipient(s) of a CIG grant from the Region of Waterloo will recognize the Region's contribution in any promotional literature, events, articles, social media, etc. which may be prepared or undertaken by the recipient(s) in relation to the project.

Appendix 2

Capital Grants Framework

Introduction

The Region of Waterloo has in the past provided one-time capital grants to various community organizations in recognition of the many contributions these agencies make to the quality of life in our community. The Region of Waterloo anticipates that it will continue to receive such requests for capital funding support from organizations and has adopted this framework with respect to providing one-time capital grants to community organizations.

The objective of this policy is to ensure that in dealing with requests for one-time grants to support capital initiatives, the proposals are evaluated by the Region of Waterloo according to an established and common set of criteria.

This policy is specific to local health and social service organizations with which the Region of Waterloo has an ongoing, established partnership or service relationship. Subject to funding being available, the Region of Waterloo will consider requests from these groups for one-time funding to support capital projects that will benefit the residents of Waterloo Region.

The Region of Waterloo will not accept or consider capital grant requests from organizations whose purpose is the responsibility of other levels of government including Federal, Provincial and Educational agencies and/or the Area Municipalities, and/or organizations whose purpose is making grants. This includes but is not limited to:

- a. Hospitals
- b. Schools, school boards and post secondary educational institutions
- c. Neighbourhood associations and facilities
- d. Recreational and sporting associations and facilities
- e. Cultural organizations
- f. Community foundations and other grant making agencies.

General Provisions

- a. There is no designated source of funding in the Region's budget for capital grants.
- b. Unless otherwise approved, the maximum grant will not exceed the lesser of 25 per cent of the capital cost of the project or \$50,000.
- c. The Region will not provide funding for a shortfall in a capital fundraising campaign.
- d. There is nothing in this policy that obligates or requires Regional Council to fund a capital project from an eligible organization or agency.

- e. Regional Council reserves the right to waive the limit and to consider special capital requests outside this framework.

Eligibility Criteria

Eligible organizations are health and social service agencies with which the Region of Waterloo has an established partnership and/or service relationship and whose purpose, programs and services:

- a. Provide a benefit to the Waterloo Region community
- b. Are not-for-profit
- c. Are located/based within the geographic area known as Waterloo Region
- d. Provide services that are available to all residents of Waterloo Region.

Meeting of these eligibility requirements in no way obligates Regional Council to approve a capital grant to an organization.

Selection Criteria

In determining whether to approve a request for a one-time capital grant, the Region of Waterloo will consider the following:

- a. If the acquisition of the capital asset enables an organization to serve a greater number of clients
- b. If the acquisition of the capital asset will improve access to the services provided by the organization
- c. If the acquisition of the capital asset will improve or enhance the financial sustainability of the organization
- d. If the acquisition of the capital asset will enable the organization to provide a new service to residents of Waterloo Region that fills an identified need or gap in service
- e. The amount of funding for the acquisition of the capital asset from other sources
- f. The ability of the organization to fully implement the capital project.

A request for a one-time capital grant will only be considered by Regional Council provided the following conditions are met:

- a. The request is made prior to an organization acquiring or committing to the acquisition of the capital asset
- b. The organization provides a business plan/capital campaign plan for the project to the Region, and that this plan/feasibility study should:
 - o clearly demonstrate the need for the project
 - o include an assessment of fundraising capability
 - o identify all potential sources of funding for the project
- c. The organization has already approached/pursued all other potential funding sources, including fundraising (where applicable).

Selection Process

Upon receipt of a capital grant request, Regional staff:

- a. Will review the proposal
- b. Determine the eligibility of the organization to make a capital grant request
- c. Determine its conformity with this framework, and
- d. Make a recommendation to Administration and Finance Committee for final approval by Regional Council.

Other Requirements and/or Limitations

- a. The request must be accompanied by a complete capital budget showing the sources and uses of funds and an estimation of ongoing operating costs for the project (if any).
- b. The sources of funds should indicate the amount and percentage of funding from other sources and should distinguish between funds-in-hand, funds pledged but not received, and projected additional funding and any conditions which could in any way affect the actual funds available.
- c. Unless otherwise approved, the maximum one-time capital grant for a project approved under this policy will not exceed the lesser of 25 % of the capital cost of the capital project, or \$50,000.
- d. The Region of Waterloo reserves the right to verify that the funds have been used as intended at any point in the project and upon completion of the project.
- e. The Region of Waterloo will not provide support for ongoing funding required as a result of the capital project.

Recognition of the Region's Contribution

Any organizations receiving a capital grant from the Region of Waterloo will recognize the Region's contribution in any promotional literature, events, articles, social media, etc. which may be prepared by the organization.