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**For Information**

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**REPORT TITLE: 2023 Community Investment Program Fund Update**

**FROM: Sean Baird, Commissioner of Human Services**

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**OBJECTIVE**

To provide Regional Council with an update on the 2023 Community Investment Program fund allocations.

**REPORT HIGHLIGHTS**

- **Rising Demand:** In 2023, 84 per cent of Peel's not-for-profits faced surging demand, especially from marginalized groups, underscoring the critical need for increased support.
  - **Funding Allocation:** The Community Investment Program distributed \$11.49 million through 193 grants to 120 unique not-for-profits that provide programs and services to Peel residents.
  - **Equity Initiatives:** Efforts to enhance equity saw the development of targeted funding frameworks for Black and Indigenous not-for-profits, with plans to implement and expand these initiatives in 2024.
  - **Food Security Achievements:** The Food Security Fund dramatically improved access to emergency food, distributing 3.9 million pounds of food and aiding over 267,709 residents.
  - **Strategic Support for Not-for-Profits:** Amid affordability, technology, talent, and service demand challenges, additional funding is needed to better meet the needs of Peel's not-for-profit sector.
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**DISCUSSION**

**1. Background**

Peel not-for-profits provide services and programs that are essential to ensure healthy, safe, integrated communities. The Region of Peel's Community Investment Program is a relationship funder that provides support for local not-for-profit agencies to successfully deliver community and social services by investing in their core operating expenses. The Community Investment funding streams (Core Fund, Capacity Fund, Change Fund, Small Capital Fund, Hub Fund, Agriculture Fund) help agencies build internal capacity, strengthen business practices, and encourage collaborative partnerships to advance system-level solutions. This funding approach is a unique model across the province and is highly regarded throughout the not-for-profit sector in Peel as being innovative and responsive.

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### 2. Current Peel Not-For-Profit Pressures

#### Peel's Not-For-Profit Ecosystem

Peel's not-for-profit organizations are facing unprecedented challenges in 2023, in an ever-evolving landscape, facing the intersection of increased costs with the need to deliver more programs and services. Highlights from the Ontario Non-Profit Network's 2023 survey reveal:

- 84 per cent of Peel not-for-profits are experiencing increased demand for nonprofit services, particularly those of Black led, Black mandated, Black serving (B3), Indigenous lead, informed, benefiting and/or partnering (I4), and 2SLGBTQIA+ nonprofits with very few nonprofits meeting growing demand. (Sector Average 76 per cent)
- 75 per cent of Peel not-for-profits reported an increase in demand for programs and services. (Sector average 50 per cent).
- 19 per cent of Peel not-for-profits can only sustain themselves between 1-7 months. (Sector Average 8 per cent )
- 83 per cent of Peel not-for-profits have seen a decrease in revenue with the following identified factors, decrease in donations, decrease in donors.
- 79 per cent of Peel not-for-profits are having staffing challenges with recruitment and retention. (Sector Average 65 per cent)

#### Food Insecurity in Peel

The situation at food banks in Ontario, particularly in Peel, has worsened for the seventh year in a row in 2023. Food inflation rates of 5-7 per cent have pushed the average family's annual food bill to \$16,297. The surge in food insecurity is driven by the soaring cost of living, insecure employment, inadequate social supports, and rising housing prices. In 2023, 25.6 per cent of Peel households experienced severe food insecurity, with racialized families and single mothers being the hardest hit. Food banks in Peel report an 60-80 per cent increase in visits, with 30 per cent being first-time users, including international students, newcomers, and low-income workers.

#### Surges in Settlement in Peel

Peel Region has the highest proportion of immigrants in Ontario accounting for 51.8 per cent of its population, 18 per cent of all immigrants in Ontario. It is projected that Peel will welcome approximately 33,500 new permanent residents in 2024. The region faces a rising demand for support services due to increased asylum claims and changing migration patterns. Not-for-profits are increasingly stretched thin, trying to integrate the growing number of newcomers, immigrants, international students, and refugees into their services, a trend that is expected to continue into 2024 and beyond.

### 3. 2023 Community Investment Program Results

In 2023, the Community Investment Program was overwhelmed with demand, receiving 271 applications seeking a total of \$21.36 million in funding. By the end of the year, the program allocated \$11.49 million from its base budget across 193 grants to 120 unique community agencies who provide programs and services through 1.84 million resident interactions. The demand far exceeded available funds, a situation exacerbated by the sector's growing

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needs and the introduction of Bill 112. Notably, regional grants constituted no more than 20 per cent of each recipient organization's total revenue for the year. Allocations from each fund can be found in Table 1 below.

### Funding Distribution Overview

Table 1: 2023 Community Investment Program Funding Streams

<b>Fund Name</b>	<b>Number of Grants 2023</b>	<b>Total Request for Funding</b>	<b>Total Funding Allocations 2023</b>
Core	85	\$7,246,941	\$6,551,120
Capacity*	75	\$2,929,457	\$2,225,544
Change	14	\$1,160,686	\$412,500
<b>Total 2023 demand/base funding</b>	174	<b>\$11,337,084</b>	<b>\$9,189,164</b>
Food Security Capital and Innovation (Year 2)	17	\$7,811,531	\$2,000,000
Social Purpose Enterprise Fund (Year 2)	2	\$2,215,748	\$300,000
<b>Total 2023 demand/funding</b>	193	<b>21,364,363</b>	<b>\$11,489,164</b>

\* 2023 received Council approval (2023-09-14 – Enhancing Community Investment Support for Peel Not-For-Profits) to utilize an additional 1.1 million - Human Services departmental surplus.

The program's goals included building transitional capacity, poverty reduction, addressing systemic inequities, enhancing food security, and stabilizing core operations. Funding decisions were made using a weighted scoring system by a review committee comprised of provincial, municipal, regional, and sector funding partners.

### Feedback and Impact

Community Investment is aligned with the Region of Peel's Community Investment Service Outcome "Community groups in need have support to deliver services to Peel residents". Community Investments client satisfaction and performance results are used to inform program decision making and to strengthen accountability. The 2023 Community Investment results are as follows:

- An annual survey from over 150 not-for-profits rated the program highly for its online platform, process, and customer service.
- 80 per cent satisfaction rate among not-for-profits with the program's support and resources.
- 73 per cent of agencies identified that Community Investment funds supported their identified needs.
- 26 per cent increase in the number of newly funded agencies.
- 20 per cent of funded not-for-profits were black-led, black mandated or black serving (B3).
- 258 staffing positions, in 84 not-for-profits were funded through the Core Fund.
- 60 per cent of the capacity fund supported Adaptive and Operational Capacity and External Communication.

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- A cross divisional partnership with the Income and Social Supports division supported an additional 35 agencies totaling \$2,739,318 to enhance digital divide skills and a Wellness Response and Assistance Program (WRAP) for social assistance recipients.

Please refer to Appendix I - 2023 Community Investment Program Allocations and Appendix II - 2023 Community Investment Program Overview.

### **4. Advancing Equity and Targeting Investment in Peel Not-For-Profits**

#### **Focused Support for Equity-Driven Not-for-Profits**

In 2023, the Community Investment Program maintained its commitment to promoting equity and accessibility throughout its funding processes, adhering to guidelines that address systemic discrimination, particularly against the Black community and other marginalized groups in Peel. This effort aligns with resolution (2020-448) to address systemic discrimination faced by the black community and other marginalized groups by supportive policies and equitable funding.

Looking ahead to 2024, the program plans to advocate for sustainable multiyear funding and collaborate with a Black Advisory Board, consisting of Black Executive Directors in Peel, to develop a B3 (Black-led, Black-mandated, Black-serving) funding framework. This initiative aims to offer targeted funds and capacity-building specifically for B3 not-for-profits.

Additionally, the program will partner with the Culture and Inclusion Team's Indigenous Advisor to create a dedicated funding strategy for Indigenous not-for-profits in Peel.

An additional \$1.25 million pressure was identified as part of the 2025 Budget forecast for the Community Investment program to ensure a targeted annual investment for both B3 and Indigenous organizations.

#### **Outcomes of the Food Security Capital and Innovation Fund**

The escalating cost of living continues to impact Peel residents' access to affordable food. The Food Security Capital and Innovation Fund, a \$4 million investment over two years, concluded in 2023. This initiative significantly enhanced local food banks' capabilities, expanding food distribution space by 56,000 square feet and tripling chilled storage capacity. It enabled the distribution of approximately 3.9 million pounds of food, aiding an additional 267,709 Peel residents. The Brampton Food Hub a collaborative warehouse distribution model launched in the fourth quarter of 2023, served 15,115 unique clients, distributing an additional 356,692 pounds of food. In 2024, staff will work with food banks to allocate the additional \$2 million from the Emergency Food Bank Motion (Resolution RCB 2023-110) and advocate to different levels of government, to address income and affordability challenges.

An additional \$1.25 million need was identified as part of the forecast for 2025 to address the increased pressure. This would bring Peel's total investment to a total of \$2.5 million annually dedicated to improving food access.

#### **Stabilizing Peel's Not-for-Profit Sector Amidst Challenges**

Peel's not-for-profits continue to face challenges, including affordability issues due to high interest and mortgage rates, the need for technological advancements to improve efficiency

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and service, talent shortages, and increased service demands coupled with decreased revenue.

In 2024 the Community Investment Program 3-year Core Fund (2024-2026) received its largest volume of applications totaling 165 applications for \$16.5 million in funding. We anticipate funding 127 agencies for a total of 10 million through the Core Fund in 2024. The Region of Peel is identified as a best practice funder who invests in a not-for-profits core operational needs to strengthen core infrastructure and advance organizations work to deliver on their mission and improve service delivery and programs. The demand for Community Investment funding significantly exceeded the available budget, with the sector needing nearly double the available funds to meet service demands.

To address these issues, maintaining the forecasted budget increases in 2025 and 2026 as well as considering additional measures like indexing funding to provide annual inflationary increases will allow the Community Investment Program to keep pace with the growing needs of Peel's expanding population.

### **RISK CONSIDERATION**

The not-for-profit sector in Peel plays a crucial role within our broader human services system, acting as a vital support network. It has proven to be an essential safety net, especially as it has absorbed increasing demands for services and coordinated efforts to assist the most vulnerable members of our community. Investing in Peel's not-for-profit sector will help to build back resilient and safe communities. Community Investment staff will also continue to support Metamorphosis Network to advocate to the various levels of government and funders for increased investment for the Peel not-for-profit sector to meet growing demand for services.

### **BILL 112 RISKS AND IMPLICATIONS**

The passing of the *Hazel McCallion Act (Peel Dissolution), 2023* on June 8, 2023, formalized a plan to dissolve the Region of Peel effective January 1, 2025. On December 13, 2023, the provincial government announced that Peel will not be dissolved, and that new legislation will be passed in 2024 to repeal or amend Bill 112. Until new legislation is passed, no implications can be determined.

### **FINANCIAL IMPLICATIONS**

As outlined in the report, the Community Investment Program has forecasted that the increased demand for supports in the community will continue into 2025 and beyond. Staff had estimated in 2024 that this pressure would result in the need for an additional \$3.5 million investment in the program. Staff will bring any proposals for additional resources through the 2025 budget process.

### **CONCLUSION**

2023 was an unprecedented year of change and uncertainty and Peel not-for-profits were adaptive and agile to continue to meet the needs of the Peel's most vulnerable residents. The 2023 funding allocations represent important investments in supporting and strengthening the Peel's not-for-profit ecosystem to deliver programs and services in new ways. The Region will continue to enhance its collaboration and advocacy efforts with the community to forge more

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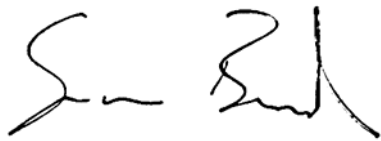
strategic partnerships and build a more robust, inclusive, and equitable granting system. Over the coming months, staff will continue to engage key stakeholders to address critical needs through the 2024 Community Investment funding streams.

### **APPENDICES**

Appendix I - 2023 Community Investment Program Allocations

Appendix II – 2023 Community Investment Program Overview

Appendix III- 2023 Impact Food Capital and Innovation Fund Overview

A handwritten signature in black ink, appearing to read "Sean Baird". The signature is fluid and cursive, with a long horizontal stroke at the end.

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Sean Baird, Commissioner of Human Services

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