



INFORMATION REPORT

TO:	Mayor and Members General Issues Committee
COMMITTEE DATE:	February 11, 2021
SUBJECT/REPORT NO:	Neighbour to Neighbour Funding Update (FCS21006) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Brian McMullen Director, Financial Planning, Administration and Policy Corporate Services Department
SIGNATURE:	

COUNCIL DIRECTION

The General Issues Committee, at its meeting on January 28, 2021, directed staff to report back on a request for funds from Neighbour to Neighbour of \$200,000 per year for 2021 to 2025 for the Community Food Centre. The purpose of Information Report FCS21006 is to provide Council with confirmation of the policy for the City Enrichment Fund (CEF) with respect to receiving funds from the CEF and other funding sources from within the City of Hamilton ("City"). It is also to clarify / obtain specific details of the Neighbour to Neighbour request and report back to the General Issues Committee on February 11, 2021.

INFORMATION

Neighbour to Neighbour (N2N) Overview – Food Bank and Community Food Centre

As per N2N's website:

"For over 30 years, a team of dedicated staff and volunteers at Neighbour to Neighbour Centre have been helping to improve our neighbourhood and meeting the issue of food insecurity head on. Neighbour to Neighbour works to improve the quality of life in our community by offering access to tutoring programs for children, community kitchen programs, utility subsidy programs, family counselling, emergency food access and a host of other interventions. Neighbour to Neighbour is empowering people with the tools and ideas that will help change their lives."

The Hamilton Community Food Centre (HCFC) at 310 Limeridge Road West and the Food Bank at 28 Athens Street, operate under the same mission and goals of N2N though they are separate programs. Hamilton Community Food Centre includes programs related to food skills, food access, education and engagement, community garden network and community meals. At HCFC, nutritious food is used to attract, engage and empower people. Through programs, the HCFC will tackle the complex layers of poverty; household food insecurity; poor health; lack of access to healthy food and social isolation. The Food Bank is for emergency, family services and educational services including food bank, community counselling, utilities support, money matters and settlement services.

City of Hamilton Historical Investment 2016 to 2020 – N2N Hamilton Community Food Centre

The City has provided funding to help support N2N Hamilton Community Food Centre and Food Bank. Table 1 provides a summary of the payments for HCFC. Details on other City of Hamilton funding are provided later in Report FCS21006.

TABLE 1 – City of Hamilton N2N HCFC Funding Summary

Source of Funding	2016	2017	2018	2019	2020	Total
Hamilton Future Fund - Community Food Centre Capital Campaign (building costs and operating expenses)	\$100,000	\$ - -	\$ - -	\$ - -	\$ - -	\$ 100,000
Public Health Services Budget - Community Food Centre Services	200,000	200,000	200,000	200,000	200,000	\$1,000,000
Reserves (Area rating \$150 K and SSIF \$50 K) (building of new Community Food Centre in Hamilton)	200,000	\$ - -	\$ - -	\$ - -	\$ - -	\$ 200,000
N2N HCFC Funding Annual Total	\$500,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,300,000

Notes to Table 1

- Area Rating means Area Rating Special Capital Infrastructure Reinvestment Reserve
- SSIF means Social Services Initiative Fund Reserve

Community Food Centres Canada Contribution and Commitment 2015 to 2020

In 2015, Community Food Centres Canada chose Neighbour to Neighbour (N2N) to conditionally receive \$1,100,000 over five years in operating funds. In addition to financial resources, Community Food Centres Canada provided advice, guidance, evaluation tools and an evidence-based, best-practice program model.

In 2015, N2N requested from the City of Hamilton an operating agreement for annual funding of \$200,000 from 2016 to 2020 and one-time capital funds of \$200,000 to renovate their new Community Food Centre building located at 310 Limeridge Road West.

Council, at its meeting on September 23, 2015, approved Board of Health Report 15-009 containing a report titled “Neighbour 2 Neighbour Community Food Centre (BOH15030)”. As stated in Report BOH15030, the Community Foods Centre Canada grant to N2N of \$1,100,000 over five years was conditional on N2N sourcing an equal specified contribution for the same project over the same time period (five years) and securing a location to operate a Community Food Centre. The request for operating funds was referred to the 2016 budget process, specifically, as an operating budget enhancement for Public Health Services for \$200,000. This funding request was approved in the City’s 2016 Budget.

The funding provided by the City was not restricted to a specific program but to the overall operations of the Community Food Centre. This financial commitment was to help provide resources for community food centre programming, such as community kitchens, community gardens, healthy eating and school nutrition / after-school programming, local food forums and other food skills and cooking programs to a large area of the City.

As part of the financial commitment, annual agreements were executed and annual reports were submitted by N2N to City staff. One of the conditions of the annual agreements is that maximum City funding will be reduced if N2N receives other funding from the City, including the Community or City Enrichment Fund. N2N has confirmed that its Community Food Centre receives no other City funding as reported in Appendix “A” to Report FCS21006 and stated in Appendix “B” to Report FCS21006. All of the programs, outcomes, measures, targets and results of N2N’s Hamilton Community Food Centre (HCFC) are shown in Appendix “A” to Report FCS21006.

N2N’s HCFC program areas and programs include:

- Food Access with three programs: Good Food Market, Healthy Community Meals Shared, Additional Meals Served
- Food Skills with three programs: Community Kitchen Program, Community Gardens, Child and Youth Skills Building Program

- Education, Engagement and Outreach with six programs: Dignified, Welcoming Facility Maintained, Community Action and Advocacy, Community Awareness / Use of Space, Collaboration with Public Health and City Programming, Hamilton Community Garden Networking Program, Food Literacy Networking

Table 2 provides a summary of the N2N Operating Budget and Maximum City Funding from 2016 to 2020.

TABLE 2 – N2N Community Food Centre Financial Summary

Year	N2N Operating Budget	Maximum City Funding
2016	\$531,778	\$200,000
2017	\$766,395	\$200,000
2018	\$709,742	\$200,000
2019	\$828,047	\$200,000
2020	\$727,448	\$200,000

Notes to Table 2

- 2016 N2N operating budget figure of \$531,778 reflects a partial year as this was the Centre’s opening year and there was not full programming during the first quarter

N2N Request and Community Food Centres Canada Commitment for 2021 to 2025

N2N’s request for Community Food Centre funding for \$200,000 annually from the City for 2021 to 2025 is attached as Appendix “B” to Report FCS21006 and Appendix “C” to Report FCS21006. Community Food Centres Canada (CFCC) has partnerships with 13 organizations across Canada. CFCC is prepared to renew its commitment to N2N’s Hamilton Community Food Centre (HCFC) for the next five years from 2021 to 2025 as per Appendix “D” to Report FCS21006. The letter indicates that there is an intention of contributing \$1 M for operations over the next five years on condition that CFCC has the funds available and that HCFC continues to meet the criteria required to receive its funding. N2N will be required to raise the balance of the funds for their HCFC operating costs.

City of Hamilton City Enrichment Fund (CEF) Investment in N2N Programs

The City Enrichment Fund is the overall name for the City of Hamilton’s municipal investment in a wide range of program areas that supports the City’s strategic plan. The fund comprises six Program Areas (Agriculture, Arts, Communities, Culture and Heritage, Community Services, Environment, Sports and Active Lifestyles) with funding streams and categories.

The City Enrichment Fund funding provided to N2N programs are shown in Table 3.

TABLE 3 – CEF N2N Program Funding 2016 to 2020

Program	2016	2017	2018	2019	2020
CSA Food Bank	\$28,980	\$29,560	\$29,560	\$30,151	\$30,754
CSA Home Delivery	17,669	17,669	17,669	17,669	17,669
CSF Middle East Outreach	2,763	2,763	2,763	2,818	2,874
CEF N2N Funding Total	\$49,412	\$49,992	\$49,992	\$50,638	\$51,297

Notes to Table 3:

- CSA means CEF Program of Community Services and funding stream of “No one is Hungry or Without Shelter”
- CSF means CEF Program of Community Services and funding stream of “Community Capacity Grows”

The total preliminary budget for the 2021 City Enrichment Fund program is \$6,088,340. The 2021 CEF intake process closed in November 2020. The application review and approval processes are underway with the Grants Sub-committee making recommendations in May 2021. N2N submitted 2021 CEF applications for their 28 Athens Street location for programs of food bank, home delivery and Middle East Outreach. N2N did not submit 2021 CEF applications for the programs run at their Hamilton Community Food Centre (310 Limeridge Road West).

CEF guidelines dictate that the City’s investment is not to exceed 30% of the total initiative (i.e. program not organization) budget per calendar year. The Recipient is to track funding from all departments of the City (departmental budgets, Councillor contributions, area rating, etc.) and immediately inform the City Enrichment Fund Coordinator if funding exceeds the 30% rule from all sources within the City budget in a calendar year to discuss a repayment plan.

In N2N’s (Athens Street) application to the CEF, N2N did not identify other municipal sources of funding within their program budgets for programs managed at their Athens Street location. N2N’s CEF total of all three program budgets for each year in Table 3 did not exceed the 30% maximum contribution.

N2N's Hamilton Community Food Centre (310 Limeridge Road West location) request for a new commitment over five years from 2021 to 2025 is \$200,000 per year. Based on N2N's HCFC 2021 operating expenses budget of \$800,000, funding of \$200,000 would not exceed the CEF criteria of a 30% threshold (30% of \$800,000 would be \$240,000). As the intake period has closed for 2021, funding from the CEF operating budget would not be considered. However, for future years, each of N2N's Hamilton Community Food Centre programs (310 Limeridge Road West location) would be assessed against CEF's eligibility criteria. Funding for new programs is determined by score and availability of funds.

Other City Sources of Funding - Hamilton Future Fund

The Hamilton Future Fund was created in 2002 when Hamilton Hydro was sold for \$137 M. The money was put into two reserves:

- \$100 M invested to provide income which will be used to fund various projects and initiatives.
- \$37 M to provide funding for various City and community organizations, projects and initiatives.

Hamilton Future Fund Board of Governors approved a grant of \$100,000 to N2N respecting the Hamilton Food Centre on October 13, 2016 which was approved by Council at its meeting on November 9, 2016.

The Hamilton Future Fund is currently not accepting applications.

Other City Sources of Funding – Area Rated Special Capital Infrastructure Reinvestment Reserves

Within the City of Hamilton Budget, an Area Rated Special Capital Infrastructure Budget of approximately \$13.4 M is approved annually and levied against former City of Hamilton properties. These funds are transferred to Area Rating Reserves and are available to fund investments according to the guidelines established in Report FCS12024 Area Rating Special Capital Re-Investment Policy and Report FCS18014(a) Procedures for Ward Specific Funding Initiatives.

In 2013, Councillors for Wards 6, 7 and 8 provided \$32,000 each to N2N for capital purchases for the Food Bank located at 28 Athens Street.

N2N Hamilton Community Food Centre Funding Alternatives

N2N will need to secure funding from other sources if the City of Hamilton does not provide funding of \$200,000 annually from 2021 to 2025.

If Council wishes to fund the N2N request, some of the alternatives available to the City include:

1. 2021 Tax Supported Operating Budget
 - Funding could be provided to N2N from the 2021 Budget resulting in a budget pressure as the existing agreement expired on December 31, 2020 and has not been included in the City's Preliminary 2021 Budget. Funding for 2022 and beyond would then be included in the maintenance or base budget.
2. City Enrichment Fund
 - 2021 one-time funding could be provided to N2N from 2020 CEF surpluses. Referring the funding request to the Grants Sub-committee is not recommended as it comprises the CEF process.
3. City Reserves
 - 2021 funding could be provided to N2N from one of the City reserves. With the annual City operating budget surpluses being transferred to the Tax Stabilization Reserve as per policy, this Reserve may be appropriate to fund the 2021 Request. A source of funding for 2022 and beyond would then need to be identified during the subsequent budget processes.

APPENDICES ATTACHED

Appendix "A" to Report FCS21006 – Hamilton Community Food Centre N2N Final Report 2020

Appendix "B" to Report FCS21006 – N2N Funding Request Letter to City of Hamilton

Appendix "C" to Report FCS21006 – N2N Hamilton Community Food Centre Case for Support Funding Proposal – December 2020

Appendix "D" to Report FCS21006 – Community Food Centres Canada Commitment Letter to City of Hamilton dated February 5, 2021

JF/dt