



Committee of the Whole Report

For the Meeting of October 7, 2021

To: Committee of the Whole **Date:** September 20, 2021
From: Kerri Moore, Head of Business and Community Relations
Subject: Cultural Infrastructure Grant Program 2021 Report & Funding Request

RECOMMENDATION

That Council:

1. Receive this staff report for information with details of grant recipients and program evaluation for the 2021 Cultural Infrastructure Grant Program.
2. Consider approving ongoing funding to the Cultural Infrastructure Grant Program for \$250,000 annually from new assessed revenue as part of the 2022 Financial Planning process.
3. Approve the revised Cultural Infrastructure Grant Program guidelines.

EXECUTIVE SUMMARY

The purpose of this report is to update Council on the results of the inaugural 2021 Cultural Infrastructure Grant (CIG) Program and to seek Council direction to continue this grant program with increased annual funding. The CIG program supports local not-for-profit organizations to purchase specialized equipment, fund accessibility and facility upgrades, feasibility, and planning studies as well as expansion and acquisition of new cultural spaces.

Council approved \$125,000 in one-time funding in 2021 for the Cultural Infrastructure Grant program. The program received 25 applications with funding requests of \$401,813. Due to limited funds, 15 applicants were funded, representing a 60% applicant success rate (see Appendix A for a full list of applicants, project, and funding details). Funded projects included specialized equipment purchases, accessibility and infrastructure upgrades and feasibility studies. Successful applicants represent a variety of artistic disciplines and spaces serving diverse communities including Indigenous and underrepresented groups. The City's \$125,000 has been leveraged to secure \$550,818 in funding from other sources including senior levels of government, foundations, in-kind contributions, and donations, representing a greater than 1:4 return on investment.

Victoria has some of the highest rental rates for artists and cultural groups in B.C. as highlighted by the Social Purpose Real Estate Collaborative's (SPRE) 2021 *Space for Community* study (see Appendix B). The consequences of high market rates on not-for-profit organizations are displacement of artists from the community, and groups operating in unregulated and unsafe

spaces while struggling to find adequate and accessible cultural facilities. Faced with increasing rents and aging infrastructure and facilities, arts and culture organizations have deferred infrastructure upgrades without sufficient funding sources.

Staff are recommending increased funding for an ongoing annual grant program to support community-based arts and culture organizations to secure accessible, affordable, and appropriate spaces to practice, create and share. City funding can provide multiple benefits including expanded and upgraded cultural facilities, incentivizing private property owners to provide longer lease terms, and leveraging other sources of funding.

Staff are recommending revisions to the grant program guidelines based on internal review and applicants' feedback from the 2021 program. Key updates include increasing maximum funding amounts for three grant categories, a peer-based evaluation methodology and meeting key eligibility criteria (see Appendix C).

PURPOSE

The purpose of this report is to update Council on the outcomes of the 2021 Cultural Infrastructure Grant program, and to seek Council direction for continuing this program with an annual funding envelope of \$250,000, with revised program guidelines.

BACKGROUND

At the January 18, 2021, Special Committee of the Whole meeting Council approved \$100,000 in one-time funding for the Create Victoria – Cultural Infrastructure Grant Program. At the March 18, 2021, Committee of the Whole Meeting Council approved a reallocation of \$25,000 of funding from the Cultural Spaces Road Map to the Cultural Infrastructure Grant program, increasing overall funding to \$125,000, as well as approving the program guidelines and authorizing the City Manager to approve grant funding based on staff evaluation. This approval process was recommended to ensure that funding disbursements were made by July 2021, allowing successful applicants maximum time to access funds within the 2021 budget cycle.

To encourage wider program participation staff hosted a two-hour virtual information session on April 22, 2021, attended by 34 representatives from local not-for-profit arts and culture organizations. The information session was recorded, and a link was posted on the City's grant program webpage as a resource for those who could not attend. The program guidelines and information session were widely publicized through the City's website, and social media and shared by emails and e-newsletters with assistance from a range of community-based organizations and networks. At the info session staff shared program eligibility criteria, funding limits, application and evaluation process and answered questions from potential applicants.

Staff responded to inquiries from 31 organizations, to help determine eligibility and provide feedback on draft applications. A total of 25 completed eligible applications with requests for funding totalling \$401,813 were received by the application deadline. A three member staff team reviewed and evaluated each application, as per the scoring criteria included in the program guidelines. Staff recommended 15 applications for funding, forwarded to the City Manager for review and approval.

A few highlights of funded projects include infrastructure upgrades to the Metro and Intrepid theatres which are heavily used by a variety of groups. Infrastructure and equipment funding will also support Alter Arts Society and Bayanihan Cultural and Housing Society to repurpose existing and underutilized spaces to be transformed into arts and activity spaces. Equipment funding for Oasis

Society for Spiritual Health will support vulnerable urban indigenous individuals to reconnect with elders and family members, while also sharing this equipment with other not-for-profit groups located at the Social Innovation Centre in North Park. Four organizations including Victoria Event Centre, Victoria Arts Council, Lifetime Networks and Bayanihan Cultural and Housing Society received funding to complete accessibility upgrades to improve physical access to their spaces. For a detailed list of all applicants, project details and approved funding please refer to Appendix A.

Successful applicants have received 80% of grant funding and projects are underway with the majority expected to be completed before December 31, 2021. Successful applicants are expected to adhere to grant terms and provide a final report within 60 days of project completion.

The following Create Victoria Arts and Culture Master Plan action items would be implemented by moving forward with this program:

- Create a Cultural Infrastructure Fund for both existing and new spaces beginning with a \$100,000 investment by the City to leverage and attract private and public donations, with an emphasis on legacy giving, to encourage cultural leadership and philanthropy;
- Support cultural venues in seeking funding from partners and other levels of government;
- Continue to engage with the creative and cultural community in ongoing dialogue and participation in space needs.

ISSUES & ANALYSIS

Due to rising rents and real estate prices arts and culture organizations are often forced to locate in less than suitable facilities with reduced space and aging infrastructure. In addition, these groups have limited access to funding opportunities for capital and infrastructure upgrades at the local level to leverage grant applications from provincial and federal bodies which often require indication of local support for the project. These limitations affect the quality, scale, and type of programming activities at arts and culture facilities, while also creating barriers for the public to attend and participate in the arts.

The *Space for Community* report (see Appendix B), released by SPRE in April 2021, highlighted findings from 632 facilities owned and/or operated by the social purpose sector (defined as not-for-profit and social enterprises) including arts and culture organizations and individual artists across 6 municipalities in B.C. Fifty-three percent of Victoria respondents (n=34) cited lack of funding for renovations and (re) development as an important challenge. Sixty-two percent of respondents in Victoria also cited lack of affordable space as their primary challenge. This data is correlated with the finding that Victoria respondents (n=21) reported the highest average Gross Lease Rates of \$28 per sq. ft., which is higher than Vancouver and other large municipalities across B.C. Average market rate rents in Victoria reported in this study are \$31 per sq. ft., the second highest only behind Vancouver.

Increasing the Cultural Infrastructure Grant program funding envelope will provide stable and ongoing financial assistance to a variety of arts and culture facilities to upgrade aging facilities and equipment and improve venue accessibility for practitioners and audiences. The City's grant funding contributions are limited to a maximum of 50 percent of project costs, which can be leveraged against other sources of funding including Provincial and Federal cultural infrastructure grant programs, private and foundation donations. This would result in a minimal 1:2 return on investment for City contributions.

The program guidelines approved by Council at the March 18, 2021, Committee of the Whole meeting have been revised based on staff review of the 2021 grant program. Included below is a summary and discussion of recommended updates.

The 2021 program guidelines set funding limits of \$25,000 for specialized equipment and infrastructure and \$10,000 for feasibility and planning studies. These limits were based on the total available program funding, to ensure that a variety of projects received support. The amount of maximum funding limited the scope and scale of applicant projects. Staff are recommending increasing the maximum funding amounts for three of the four application categories. For real estate acquisition or (re)development projects applicants can apply for funding up to \$100,000, for infrastructure upgrade and accessibility projects applicants can apply for funding up to \$50,000, and \$15,000 for feasibility or planning studies. The maximum amount for specialized equipment remains up to \$25,000. These changes will encourage applicants to plan and propose bigger projects.

While applicants can apply for up to \$100,000 in funding towards acquisition and/or (re) development of new or expanded arts and culture facilities, based on current real estate prices and market economics, these types of projects require higher order of magnitude funding to be successful in leveraging matching private and public funding. The City of Vancouver for example provides up to \$250,000 in funding for major capital expansion or redevelopment projects. However, increasing the maximum funding for acquisition and/or (re) development of spaces would limit the number of applications the City can support in one year, based on the proposed total grant program funding envelope. Funding for new and expanded cultural spaces would require additional funding and staff are exploring other mechanisms for funding these types of projects which will be brought forward to Council through the Cultural Space Road Map report later this year.

The objective for the 2021 review and approval process was to expedite funding to organizations during the pandemic. Staff recommend updates to the evaluation process with peer and community representation including individuals from Indigenous and underrepresented groups as well as those with lived experiences facing physical and social accessibility and equity barriers. A diverse peer-based evaluation committee will encourage community-based decision making. A staff liaison will support the committee as a resource and provide information and guide the evaluation process. The committee's recommendations for funding will be forwarded to Council for approval, in keeping with existing grant program policies.

The evaluation matrix has also been revised with a new scoring category for Equity, Diversity, Reconciliation & Accessibility, to encourage applicants to align projects and respond to these priority areas.

The program application form will be updated to include a supplementary accessibility events checklist so that applicants can report on existing barriers and facility conditions. This information will help inform application review and provide staff with a set of valuable data on facility and user needs.

The 2021 program guidelines required applicants to have a minimum of 18 months tenure for their cultural facility. This requirement is increased to a minimum of 24 months, to continue supporting longer-term spaces. The majority of applicants in 2021 had tenure of longer than 24 months.

The 2021 program guidelines did not require applicants to submit quotes for services and equipment, however, 24 out of 25 applicants provided quotes as part of their application package.

Staff are recommending making the provision of one quote as a mandatory requirement for all applicants. This information will standardize the application review process and assist with evaluation of project feasibility and financial viability.

The program schedule has been updated with the application period beginning earlier in the year so that applicants have more time to prepare applications, plan projects and secure matching funding. The application submission period will remain open for 7 weeks and the evaluation and approval period will require 8-12 weeks, to allow for Council approval. Funded applicants are required to complete projects and provide final reports within 12 months after receiving Council approval. This will allow additional time for larger and more complex projects requiring permits.

OPTIONS & IMPACTS

Option 1 – Increased funding and revised program guidelines (Recommended):

That Council:

1. Receive this staff report for information with details of grant recipients and program evaluation for the 2021 Cultural Infrastructure Grant Program.
2. Consider approving ongoing funding to the Cultural Infrastructure Grant Program for \$250,000 annually from new assessed revenue as part of the 2022 Financial Planning process.
3. Approve the revised Cultural Infrastructure Grant Program guidelines.

Option 2:

Council to provide alternative direction to staff on program funding envelope and guidelines.

2019 – 2022 Strategic Plan

Strategic Objective: Prosperity and Economic Inclusion

Strategic Objective: Strong, Liveable Neighbourhoods

Impacts to Financial Plan

This grant program will require \$250,000 in annual funding from new assessed revenue or another ongoing funding source such as a property tax increase.

Accessibility Impact Statement

This report aligns with the City's Accessibility Framework (2020) focus areas including Built Environment, Governance and Services and Capacity and Collaboration. The grant program aligns with the short-term action plan items #7 and #22.

The Cultural Infrastructure Grant Program will provide funding to support not-for-profit arts and culture organizations to renovate and improve accessibility standards at cultural venues. Along with physical upgrades, this grant will enable organizations to increase the amount of available space for programming, creating additional opportunities for people to access and participate in activities.

The grant program evaluation process includes representation and participation from marginalized and underrepresented groups valuing lived experiences of individuals facing barriers to help inform funding decisions.

The grant program evaluation matrix includes scoring criteria for accessibility, equity, diversity, and reconciliation to support funding decisions based on an equity lens.

Program outreach and the application process have been designed to include actions that encourage and support diverse and first-time applicants to submit strong applications. Staff will host an information session to share information and answer questions from new applicants or individuals with little or no previous grant writing experience. The program application process allows for applicants with limited resources to receive staff feedback on draft applications.

Official Community Plan Consistency Statement

This program is consistent with and supports the following Official Community Plan directions:

16.9: Provide direction for cultural planning through the development and regular update of a Cultural Plan, that:

- 16.9.2 Seeks opportunities for partnership with the public, private and non-profit sectors;
- 16.9.3 Maintains, develops, and enhances the delivery of City arts and culture programs;
- 16.9.4 Enhances support to local, non-profit groups engaged in arts or culture programs.

Creative City Objectives

- 16.6 Encourage broad access to arts and culture facilities, events, and activities for people of all ages, incomes, backgrounds, and lifestyles.

Cultural Planning Objectives

- 16.10.6 Identifies tools to secure new cultural spaces, including senior government funding; land donations; developer contributions, private donations; and changes to regulations.

CONCLUSIONS

The 2021 Cultural Infrastructure Grant program is a much-needed step towards implementing action items to fulfill the City's vision outlined in Create Victoria. The grant program successfully leveraged financial contributions from other levels of government and private contributions to support upgrades, new equipment and feasibility studies for arts and cultural facilities. Providing annual City funding to the CIG program would encourage increased funding from other sources to provide much needed infrastructure upgrades to arts and culture facilities that deliver quality of life benefits to all.

Respectfully submitted,

Ammar Mahimwalla
Arts, Culture and Events Liaison

Kerri Moore
Head of Business and Community Relations

Report accepted and recommended by the City Manager.

List of Attachments

Appendix A – 2021 Cultural Infrastructure Grant Program Applicant & Funding Summary
Appendix B – Space for Community: Understanding the Real Estate Challenges Affecting the Social Purpose Sector in BC. SPRE, April 2021
Appendix C – Cultural Infrastructure Grant Program – Program Guidelines