



June 25, 2024

Members of the Strategic Opportunities Review Working Group
City Hall
300 Dufferin Avenue
London, ON N6B 1Z2

Re: First Meeting of the Strategic Opportunities Review Working Group, June 26, 2024
Item 4.2 Community Grants - Neighbourhood Decision Making

Dear Councillors Pelosa, Lewis, Cuddy, Stevenson, Pribil, Rahman, and Lehman,

On behalf of Pillar Nonprofit Network, the nonprofit sector, and the communities we serve, I ask that you choose to *not* suspend the London Community Grants annual Capital & Innovation Grants for the remainder of the current Multi-Year cycle nor the Neighbourhood Decision Making program as proposed in item 4.2 of your agenda.

There are no more natural allies than a city and its nonprofit organizations – both dedicated to delivering public benefit responsibly, efficiently, and transparently. And when we are challenged to deliver best value to the community, our greatest opportunity is to partner for combined impact. Now is the time to champion community infrastructure, innovation, and engagement. It is time to unleash the full potential of your most impactful partnerships.

However – with nonprofits facing declining revenue, increasing costs, and rising demand for services – a decision to pause funding may mean the loss of critical partners and programs that support London residents and visitors and make this a city worth living in and visiting.

We do understand all of you are hoping to reduce the property tax impact of record budget expenditures, but reducing the City's investments in the community will cost London much more than it saves, and does not recognize current realities.

For example, it has been suggested that property taxes are meant to fund city services, not grants. But, unless the City has a reasonable hope to bring *all* services in-house – to plant every tree, arrange every art show, build and run every shelter – **grants to nonprofits are, in part, how the City delivers its services**. Governments, including London's, have long made nonprofits indispensable community liaisons, policy advisors, and program operators. A failure to invest in them weakens the whole City.

Some have labelled the Capital and Innovation Grants "one-offs" because they are single-year investments, but **investments in nonprofits are economic multipliers, attracting additional investments London wouldn't receive otherwise**. Elsewhere, I have told how a \$45,000

Capital Grant from the City made possible a \$300,000 renovation to Innovation Works, making one of London's most affordable working, meeting, and event spaces into one of London's most accessible and sustainable. Ontario nonprofits generate up to \$2.18 in GDP and \$1.76 in employment income impact for every \$1 invested. We are accountable to local communities, have high levels of transparency, and reinvest profits into our missions, ensuring taxpayer money gets optimal return on investment.

We have also heard City investments in community projects called "nice-to-haves," but a cohesive community is more than "nice-to-have." Academics, pollsters, and health care workers are sounding alarms about social isolation, burnout, and compassion fatigue. As a cause *and* effect, volunteering and giving are down, and loneliness is a risk to personal and public health. Voter turnout has also declined precipitously. With a significant reduction in almost all civic participation, now is not the time to withdraw one of few chances for citizen participation whose popularity is on the rise. We agree the Neighbourhood Decision Making program can be improved, but this could happen year-to-year, just as you recently endorsed for the 2024 program. Citizen engagement is not a nice-to-have; it's what holds us together.

Similarly, in a world of accelerating change and complexity, innovation is another need-to-have, recognized in the City's 2023-27 vision statement. The nonprofit sector is no small thing in Canada, contributing 8.4% of GDP and employing 2.6 million workers, larger than mining, transportation, or oil and gas. Would we consider innovation in any of these sectors a "nice-to-have?" Would we choose not to invest public monies in those sectors?

Recent donations to hospitals, universities, and the Fund for Change may tempt us to think the community can cover lost City funding, but charitable giving in Canada is at an historic low after twenty years of decline. London is no exception. CanadaHelps ranks **London 63rd among Canadian cities, with fewer than 3% of Londoners making charitable donations** through the platform in 2023. With organizations reporting one-time donors in line for nonprofit services, City support will be missed more than you might have considered.

Councillors, nonprofit workers and organizations are already pressed to or beyond capacity to keep Londoners afloat, and you are closer than you may realise to losing these ideal community partners. Organizations are shuttering already, and a failure to invest in critical community infrastructure and ingenious solutions and collaborations may mean the loss of more programs and services Londoners count on. A healthy nonprofit sector is indispensable to a well-run city, and this – as so many things – is something we all want.

Respectfully,



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