

TO: CHAIR AND MEMBERS
EXECUTIVE COMMITTEE OF COUNCIL

DATE: 2021 May 25

FROM: DIRECTOR PLANNING AND BUILDING

FILE: 12000 10
Reference: Lease Grants

SUBJECT: COMMUNITY RESOURCE CENTRES – 2022 LEASE RATES AND GRANTS

PURPOSE: To propose continuation of the 2021 lease rates for the duration of the 2022 calendar year for non-profit tenants at all City-owned Community Resource Centres.

RECOMMENDATIONS:

1. **THAT** Council be requested to continue the 2021 lease rates, and corresponding grants levels, for the duration of the 2022 calendar year for non-profit tenants at City-owned Community Resource Centres.
2. **THAT** information outlining Council's decision on this matter be distributed to Resource Centre tenants.

REPORT

1.0 INTRODUCTION

In 1992 April, Council approved guidelines for the establishment of lease rates and the issuance of lease grants to non-profit community groups occupying space at designated City-owned Resource Centres. The guidelines consist of two key components: a) annual adjustments for inflation to establish lease rates, and b) establishment of a mechanism for the provision of offsetting grants, representing 25% to 50% of lease costs, for qualifying tenant organizations¹. The goal of the program is to support non-profit organizations active in Burnaby to focus a greater portion of their annual revenue on direct service delivery, rather than the payment of 'overhead' costs such as rent.

The City currently owns and operates the following Community Resource Centres:

- Brentwood Community Resource Centre, 2055 Rosser Avenue

¹ The 25 percent offset is available to agencies for which between 25 and 75 percent of their constituency consists of Burnaby residents. The 50 percent offset is available to agencies for which over 75 percent of their constituency consists of Burnaby residents.

- Edmonds Community Resource Centre, 7355 Canada Way
- Holdom Community Resource Centre, 2120 Holdom Avenue
- McKercher Community Resource, 6140 McKercher Avenue
- Metrotown Community Resource Centre, 4460 Beresford Street
- Pioneer Community Resource Centre, 4535 Kingsway

2.0 POLICY FRAMEWORK

The Community Resource Centre lease rate and grant program is aligned with the following Council-adopted City policies and plans/strategies:

- *Corporate Strategic Plan* adopted 2017;
- *Equity Policy* originally adopted 1994, updated policy adopted in 2020; and
- *Social Sustainability Strategy* adopted 2011.

3.0 PROPOSED 2022 LEASE RATES

For 2021, Council, at its 2020 May 11 meeting, approved a lease rate of \$14.18/square foot per annum for program/office space at the Resource Centres. It is proposed that the lease rate for the coming calendar year of 2022 remain at this rate. This proposed 'freeze' is recommended by staff in recognition of the financial impact that the ongoing pandemic has had upon the non-profit tenants of the Community Resource Centres.

Across B.C., non-profit organizations have felt severe financial impacts due to the pandemic. Based on a report² by Vantage Point³ and the Victoria and Vancouver Foundations, released in February 2021, 15-19% of B.C. non-profits face closure and 23% feel they may not last more than 6 months. Almost 40% also anticipate the need to lay off staff (or have done so already). The volunteer support upon which non-profit organizations rely has also been reduced, as individuals self-isolate and organizations work to reduce risk. Approximately 74% of non-profits are experiencing a decrease in revenue from fundraising (individual or corporate donations), while a number of governmental funding streams have had decisions to award delayed or cancelled. This financial uncertainty is also impacting Burnaby non-profits, with some pursuing organizational shifts or mergers as a result.

Despite this difficult financial landscape, non-profits across B.C. and Burnaby have quickly pivoted services in order to meet the focussed and often acute support needs of vulnerable community members, particularly in the areas of food provision, access to technology, supports for isolated seniors and families, and services for people who are homeless.

The proposed 'freeze' of rental rates is an available avenue for the City of Burnaby to support local non-profit tenants to further channel available funds towards direct service delivery, rather than

² For a full copy of the report results, please visit: <https://thevantagepoint.ca/unraveling/>

³ Vantage Point is a membership-based network which represents, supports, and advocates for B.C.'s non-profit sector.

To: *Executive Committee of Council*
From: *Director Planning and Building*
Re: *Community Resource Centres –2022 Lease Rates and Grants*
2021 May 25 Page 3

towards rental costs. Such an approach directly aligns with the original goal of the lease rate/grant program, as articulated above.

4.0 ANTICIPATED LEASE REVENUE AND GRANTS


In 2021, based upon the Council-approved rate of \$14.18/square foot per annum, the City distributed \$305,607.36 in lease grants, and received \$358,130.08 in total revenue. Should Council approve the continuation of 2021 lease rates for the 2022 calendar year, the anticipated received revenue, and corresponding anticipation lease grant distribution will remain the same.

Received revenue through this program is used to off-set labour and other City-incurred costs associated with building maintenance (e.g. HVAC) and building custodial duties. Under non-pandemic circumstances, the annual lease rate is increased to be consistent with the core consumer price index inflation rate. In recent years this increase has been in the 2-3% range. Based on the current 2% core consumer lease rate, staff estimate the City would forego minimal additional revenue by maintaining the 2021 lease rates for the 2022 calendar year.

5.0 RECOMMENDATIONS AND NEXT STEPS

As described above, the non-profit sector in B.C. and Burnaby is experiencing a period of reduced revenue and financial insecurity. Despite this, many organizations have successfully revamped and reoriented their service delivery model to provide crucial programs for vulnerable community members, many of whom have had their support needs increase due to the pandemic. As such it is recommended that Council be requested to continue the 2021 lease rates, and corresponding grants levels, for the duration of the 2022 calendar year for non-profit tenants at City-owned Community Resource Centres. This rental adjustment is an available and appropriate avenue for the City of Burnaby to support its non-profit tenants and partners to retain focus on service delivery.

It is further recommended that information outlining Council's decision on this matter be distributed to Resource Centre tenants.


E.W. Kozak, Director
PLANNING AND BUILDING

RM/sa

cc: Acting City Manager
Director Engineering
Director Corporate Services
Director Finance
Director Public Safety and Community Services
Director Human Resources
Director Parks, Recreation and Cultural Services

Fire Chief
Chief Librarian
Chief Information Officer
OIC - RCMP
City Solicitor
City Clerk