



Public Meeting Report

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Report To:	Planning and Development Committee		
Date of Meeting:	June 7, 2021	Report Number:	PDS-034-21
Submitted By:	Ryan Windle, Director of Planning and Development Services		
File Number:	PLN 37.6	Resolution#:	
Report Subject:	Proposed Amendment to the COVID-19 Community Improvement Plan (CIP); PLN 37.6		

Recommendations:

1. That Report PDS-034-21 be received;
2. That staff receive and consider comments from the public and Council with respect to the Draft Revised COVID-19 Community Improvement Plan;
3. That provided there are no substantial objections from the public, or further substantial modifications required, the Draft Revised COVID-19 Community Improvement Plan be approved, and a by-law to adopt it be passed at the June 14 Council meeting;
4. That a Program-Specific Criteria be added to the Adaptation to Outdoor Operation Grant to exempt applications for the Seasonal Sidewalk Patio License Fee from the Means Test Criteria; and
5. That all interested parties listed in Report PDS-034-21 and any delegations be advised of Council's decision.

Report Overview

Council approved the COVID-19 Community Improvement Plan (CIP) in October 2020 to support Clarington's local businesses with the cost of physical improvements necessary to implement COVID-19-related health and safety requirements.

In accordance with the COVID-19 CIP's Monitoring and Evaluation Strategy, staff have undertaken a review of the implementation to date to assess whether the Plan is fulfilling its purpose.

Modifications are proposed to the COVID-19 CIP based upon feedback from local businesses, staff's experience with the implementation and administration of the COVID-19 CIP to date, Council feedback, and the ongoing and evolving nature of the pandemic.

The purpose of this report is to present the proposed amendment to the COVID-19 CIP and to receive input from members of Council and the public at the Statutory Public Meeting.

1. Background

COVID-19 Community Improvement Plan

- 1.1 On June 22, 2020, Council passed the recommendations of Report GGR-010-20 directing that (i) a Clarington COVID-19 Community Improvement Plan (CIP) be drafted, and (ii) a \$1,000,000 fund be allocated for improvements as set forth in the staff report [FND-018-20](#) to qualifying businesses.
- 1.2 Council approved Clarington's COVID-19 CIP on October 13, 2020 ([PSD-040-20](#)).
- 1.3 The COVID-19 CIP came into effect in November 2020 at which time staff began processing grant applications, and executed the Communications Strategy in collaboration with the Clarington Board of Trade (CBOT).
- 1.4 Staff have been monitoring the effectiveness of the Plan and the Financial Incentive Programs throughout the early days of implementation in accordance with Council's direction and the CIP's Monitoring and Evaluation Strategy.
- 1.5 To date, 22 applications have been received under the COVID-19 CIP. Of those applications, only four businesses have successfully satisfied the General Eligibility and Means Test Criteria, and been approved for grant funding. Grants approved to date total \$17,600, for an average grant of \$4,400 per business. This leaves a total of \$982,400 in the COVID-19 CIP fund, plus the additional funding that was not expended on Tax Rebate Program.

Direction from February 22, 2021 Planning and Development Committee Meeting

- 1.6 On February 22, 2021, staff presented a Memo to Council (i) to provide an update on the implementation of the CIP through the first three months (ii) to report on grant application activity associated with the three-month intake window for applications in the Completed Projects stream, which closed February 11, 2021, and (iii) to seek direction on whether to consider an amendment to the CIP to address the lessons learned from the early days of implementation. The Memo is included as **Attachment 1** to this report.
- 1.7 On February 22, 2021, Council directed staff to commence the process to amend the COVID-19 CIP in accordance with the *Planning Act*, and schedule a Statutory Public Meeting to receive input on the proposed modifications.

Amending the COVID-19 CIP

- 1.8 In accordance with Section 5.2 (Adjustments and Amendments to this Plan) of the COVID-19 CIP, modifications or changes to the vision and goals, General Eligibility or Means Test Criteria require a formal amendment as per the requirements of the *Planning Act*. The CIP amendment process includes a Statutory Public Meeting, and a 20-day appeal period. Such modifications are outlined in Section 6 of this report.
- 1.9 Notwithstanding the above, the CIP provides that the Municipality may review and/or adjust the requirements of any of the Financial Incentive Programs without amendment to the Plan. Subsection 6.5 outlines proposed changes to the Financial Incentive Programs.

2. Policy Overview

Durham Region Official Plan

- 2.1 The Durham Region Official Plan (ROP) contains policies on CIPs. The ROP specifies that the Region may assist in the implementation of area municipal CIPs by adopting a Regional Revitalization Program that will guide how the Region may participate financially, or otherwise, in area municipal CIPs. The Region's participation in the implementation of an area municipal CIP is intended for projects that contribute to achieving the goals of the ROP for the development of urban areas. The COVID-19 CIP does not meet the criteria of the Regional Revitalization Program.

Clarington Official Plan

- 2.2 The Clarington Official Plan provides a policy framework for the implementation of CIPs. Section 22.1.1 of the Official Plan outlines its goal for Community Improvement "to provide for and encourage public and private sector activities for the purpose of the maintenance, enhancement and redevelopment of the existing built environment of the Municipality".

3. Consultation and Engagement

- 3.1 Notice of the Statutory Public Meeting for the amendment to the COVID-19 CIP was published in the local newspaper and circulated by email to prescribed agencies and interested parties, in accordance with the *Planning Act* requirements. The Draft Revised COVID-19 CIP has been available for viewing on Clarington's website since May 18, 2021, and is included in this report as **Attachment 2**.
- 3.2 The Draft Revised CIP was circulated to relevant agencies and departments, including the Ministry of Municipal Affairs and Housing (MMAH), and the Region of Durham. At the time of writing, no agency or department comments have been received on the proposed amendment. Planning and Development Services staff initiated consultation with MMAH staff on the COVID-19 CIP at the outset of the project in spring 2020. Consultation with MMAH continued throughout the preparation of the CIP and their feedback was included.
- 3.3 The local BIAs were notified of the proposed amendments to the Plan. The CIP Liaison Groups for Bowmanville, Newcastle, and Orono were consulted at their respective meetings in late May.
- 3.4 Any additional comments received on the Draft Revised CIP at the Public Meeting will be considered and incorporated into the Final Revised CIP, as appropriate. If no major concerns or changes are requested at the Statutory Public Meeting, the amendment could be approved at the following Council meeting.

4. COVID-19 Community Improvement Plan

Purpose and Financial Incentive Programs

- 4.1 The purpose of the COVID-19 CIP is to provide support to local businesses whose operations have been periodically shuttered or restricted as a result of the COVID-19 pandemic.
- 4.2 The COVID-19 CIP establishes Financial Incentives (grants) for qualifying businesses throughout Clarington to support investments in physical improvements required to safely reopen, thereby enabling them to continue to serve the community. Details of the available grants, and the General Eligibility and Means Test Criteria are included in the One-page COVID-19 CIP Info Sheet included as **Attachment 3** to this report.

Communications Strategy

- 4.3 The CIP incorporates a Communications Strategy to create awareness of grants and encourage participation. Since the CIP came into effect in November 2020, Planning and Development Services staff have worked with Communications staff and CBOT to execute the Strategy. To this end, the Financial Incentive Programs have been actively promoted on Clarington and CBOT's social media platforms, on Clarington's website, emailed directly to local BIAs and businesses, and included in Clarington's Planning and Development Services E-update newsletters.
- 4.4 To raise greater awareness of the Program, staff presented the COVID-19 CIP at a January 2021 webinar hosted by CBOT, to Clarington's CIP Liaison Groups and to the Agricultural Advisory Committee of Clarington.

Monitoring and Evaluation Strategy

- 4.5 The CIP includes a Monitoring and Evaluation Strategy and identifies key indicators to be monitored throughout implementation to ensure (i) the grant programs accurately reflect the types and costs of COVID-19-related improvements, (ii) the desired outcomes are being achieved, (iii) the application process and grant programs are user-friendly, and (iv) the grant program recipients are completing their commitments.
- 4.6 The 6-month review of the COVID-19 CIP has been based upon staff's experience administrating the application process, program and feedback received from the business community since implementation in the context of the Monitoring and Evaluation Strategy.
- 4.7 To help inform monitoring and evaluation during the early stages of implementation, a survey was released in February to obtain feedback from businesses and local stakeholders on the COVID-19 CIP application and grant programs. The survey included three questions to gauge overall awareness about the CIP, understand whether businesses intend to apply, and provide an opportunity to connect with staff to discuss potential grant opportunities. Survey results are outlined in subsection 5.3, below.

5. Implementation and Review

- 5.1 The February 2021 Update Memo to Council provided a detailed summary of the applications received and grant funding allocated to date (**Attachment 1**). Generally, twenty-one grant applications were received. Of those, 3 businesses had been approved, 8 had been declined for not being able to satisfy the eligibility and means test criteria, and 10 had been in progress or awaiting the submission of supporting documentation.
- 5.2 Since the Update Memo, one additional application has been received and 1 more business has received funding, bringing the total grant funding allocated to \$17,600 thus

far. There continues to be a number of applications that are awaiting the submission of additional supporting documentation.

- 5.3 Staff have found that the projects proposed generally align with the eligible work and grant values. However, the Eligibility and Means Test Criteria has posed challenges including (i) many applications being submitted without the necessary supporting financial documentation resulting in longer processing times (ii) a relatively large number of applicants being unable to satisfy the Means Test requirements, and (iii) applicant frustration given the substantial time and effort required to prepare a complete application.
- 5.4 Overall, 52 survey responses were received. 76 per cent of respondents indicated they are aware Clarington has a grant program to help qualifying businesses with COVID-19 related expenses, suggesting an acceptable level of awareness. 75 per cent of the total number of respondents indicated they do not intend to apply for reasons that include:
- The business does not meet the General Eligibility and/or Means Test Criteria;
 - The application process seems too complicated;
 - The business is not willing to divulge financial information to the Municipality; and
 - The business is considered essential.
- 5.5 Specifically, feedback from survey respondents, applicants, and members of Clarington's business community has included requests:
- To review the maximum practitioner threshold for Registered Medical Practitioners to account for the business model under which many such businesses operate. Currently, a Registered Medical Practitioner business must have no more than three licensed practitioners. Many business locations have several different practitioners (e.g. chiropractors, Registered Massage Therapists, acupuncturists) operating from the same location to provide a variety of services. This requirement has been a barrier to qualifying for many medical practitioner businesses that have been required to undertake substantial modifications to re-open safely;
 - To modify the period over which revenue decrease is measured so as not to penalize businesses for demonstrating adaptation and resiliency, and to address unintended technicalities. Staff has been informed that the requirement to demonstrate a minimum thirty per cent revenue loss in March – September 2020 relative to 2019 has been challenging for businesses that have a seasonality component to their revenue, for those that had success pivoting their operations during the summer months of 2020, and those newer businesses that may not have revenue during March – September of 2019.
 - To reconsider eligibility criteria to enable franchises to apply for grant funding. Throughout the preparation and implementation of the COVID-19 CIP, staff has

heard from franchise businesses requesting they be eligible for the CIP. Currently, franchise businesses that are part of a local or provincial chain are able to apply for grant funding. However, businesses that are part of a national or international franchise chain are not eligible. Staff have had discussions with one franchise that is one of six locations across Canada and is not eligible. They have requested this requirement be reconsidered. This matter is discussed further in Section 7 of this report.

- 5.6 Further to the above noted feedback, staff has heard from many businesses and applicants that the supporting documentation requirements to demonstrate compliance with the Means Test Criteria are simply too onerous; especially when businesses are just trying to survive.
- 5.7 The requirement for detailed financial statements, in particular, has complicated and increased the application processing time, as many applications are submitted without the required documents. Both applicants and businesses considering applying have been reluctant to expend additional funds and go to the effort of compiling financial statements given the relatively small grant values they may receive. Others have not been willing to provide such detailed information to the Municipality. This accounts for the number of applications currently on hold, awaiting additional information.
- 5.8 Staff have tracked all feedback received on the COVID-19 CIP since implementation in November 2020. The feedback received has been very helpful and has informed the proposed changes to the Plan discussed in Section 6, below.

6. Proposed Changes to the COVID-19 CIP

- 6.1 The COVID-19 CIP recognized that the evolving nature of the pandemic may require adjustments based upon the needs of businesses and the performance of the CIP, once implementation began. The Financial Incentives can be modified without amendment to the CIP. Modifications to the General Eligibility or Means Test Criteria require a formal amendment in accordance with the *Planning Act*.

Modifications to the General Eligibility and Means Test Criteria requiring a formal amendment to the CIP

- 6.2 The following outlines the proposed modifications to the Plan. A detailed summary is included as **Attachment 4** to this report:
 - Clarify that the General Eligibility Criteria relating to the maximum number of licensed practitioners for Registered Medical Practitioners businesses refers to practitioners from the same profession;
 - Adjust the time period used to measure the revenue loss Means Test Criteria to account for the second and third wave lockdowns and the seasonality component of

many businesses' annual revenue to help ensure businesses are not penalized for demonstrating adaptation and resiliency;

- Add a statement to the revenue loss Means Test Criteria to account for businesses that opened within the year preceding the onset of the pandemic and do not have financial statements for a full pre-pandemic fiscal year;
- Delete the requirement for personal financial information to satisfy the Means Test, while continuing to require financial statements for the business;
- Modify the Means Test requiring applicants to declare other CIP grant funding received to account for programs that have been launched since the approval of Clarington's COVID-19 CIP;
- Re-instate the three-month Completed Project intake window to provide businesses that may qualify under the amended Plan an opportunity to apply for funding for completed projects dating back to March 2020; and
- Modify the term 'Local, Independent Business' in the Glossary to enable franchises that are not owned and operated by a corporate chain to be eligible for the Financial Incentive Programs, provided they are able to satisfy all other applicable criteria. This would enable independently owned and operated franchise businesses to be eligible for the COVID-19 CIP Financial Incentive Programs.

Modifications to the Financial Incentive Programs (Grants) can be modified without formal amendment

- 6.3 In addition to the proposed modifications outlined above, staff propose to add a Program-Specific Eligibility Criteria to the 'Adaptation to Outdoor Operation' Grant to exempt grant applications for the Seasonal Sidewalk Patio License from the Means Test Criteria.
- 6.4 This proposed -Specific Criteria would support restaurants participating in the Seasonal Sidewalk Patio program by simplifying the grant application process for this particular fee, and would align with the COVID-19-Related Temporary Patio for which there is no fee. Such applications would still be subject to the General Eligibility Criteria. Should Council support this proposed criteria, a recommendation has been included in this report, and a statement to this effect would be added to COVID-19 CIP Appendix A (Clarington COVID-19 Community Improvement Plan Financial Incentives Program Details) under subsection d. of the 'Adaptation to Outdoor Operation Grant'.

7. Discussion

Consideration of Franchises

- 7.1 In accordance with Council's direction, businesses that are part of national or international franchises are not currently eligible for the grants under the COVID-19 CIP. Staff have corresponded with and received feedback from the local franchise community throughout the preparation and implementation of the CIP. Franchise owners have requested that consideration be given to making franchise businesses eligible for the grant programs as many franchises are owned by local business people who are heavily invested in their business, and are receiving very little support from the franchisors.
- 7.2 At the time of approval of the CIP, it was noted that the expansion of the eligibility criteria to include franchises could be considered at the time of the 6-month review, given staff would have a better understanding of the uptake of the Financial Incentive Programs by local, independent businesses, and the remaining funds available for Program expansions.
- 7.3 Based upon the uptake of the Programs in the first 6 months by local independent businesses, the overall success rate of applicants' ability to meet the General Eligibility and Means Test Criteria, and the funding that remains available under the CIP, modifications are proposed to enable the eligibility of franchise businesses.

Proposed Modifications in the Context of the Goals of the COVID-19 CIP

- 7.4 The proposed modifications to the COVID-19 CIP are relatively minor and are primarily intended to address eligibility pinch points that have come to light during the early days of implementation.
- 7.5 The modifications have been tailored to fit within the existing structure of the CIP in accordance with Council's direction to include a Means Test component. However, it is noted feedback from the business community has indicated that the Program requirements are onerous relative to most similar COVID-19 financial support programs and represent a barrier to participation for many businesses during a time when the community is stretched and stressed.
- 7.6 While the proposed modifications will address specific implementation challenges that have been identified, they are likely insufficient to enable the true success of the COVID-19 CIP Program in the context of achieving the goals of the Plan.
- 7.7 The Means Test Criteria, in particular the portions related to personal wealth, are seen as an intrusion into non-business matters and are irrelevant to the goal of the CIP which is to assist businesses preparing to reopen in safe manner for the public's benefit. As the goal of the CIP is to assist businesses, respondents have argued, and Staff agree, that the determination of means should be limited to the business' means.
- 7.8 In general, staff consider more substantial changes to be required to provide businesses reasonable access to the funding that Council has allocated in support of the business community, the residents it employs, and the goods and services it provides.

- 7.9 If Council desires to provide funding to businesses in support of reopening, the less restrictive the Program requirements, and similar to the Federal Governments approach, the more efficiently Staff can process applications and provide the funding. There would remain restrictions on what improvements the funds may be used to support. Further, the relative cost of these physical improvement projects is low, and the risk of inappropriate applications are, in Staff's opinion, nominal.

Input on the Draft Revised COVID-19 CIP and Next Steps

- 7.10 The proposed Amendment to the COVID-19 CIP has been informed by feedback from the local business community, and staff's experience processing grant applications during the first 6 months of implementation. Input received on the Draft Revised CIP will be reviewed and incorporated, as appropriate, prior to presenting a Final Revised COVID-19 CIP for Council's consideration.

8. Concurrence

This report has been reviewed by the Director of Financial Services/Treasurer who concurs with the recommendations.

9. Conclusion

- 9.1 The purpose of this report is to present the proposed Amendment to the COVID-19 CIP to Council and the public at the Statutory Public Meeting. It is respectfully recommended (i) that the report be received (ii) that Planning and Development Services staff consider comments received, and (iii) that staff modify the Draft Revised COVID-19 CIP as appropriate to be brought forward with a recommendation for Council's consideration at a subsequent meeting.

Staff Contact: Sarah Allin, Planner II, 905-623-3379 ext. 2419 or sallin@clarington.net.

Attachments:

Attachment 1 – Memo Re: COVID-19 CIP Implementation Update; dated February 22, 2021

Attachment 2 – Draft Revised COVID-19 Community Improvement Plan; dated May 2021

Attachment 3 – COVID-19 CIP One-Page Summary Sheet

Attachment 4 – Summary of Proposed Changes to COVID-19 CIP

Interested Parties:

List of Interested Parties available from Department.