

COVID-19 Response - Supplemental Report

Date	July 29, 2020
To	City Council
From	Financial Strategy & Sustainability
Service Area	Assessment, Tax & Utility Billing
Item No.	CM20-20

RECOMMENDATION

That City Council receive and file this report.

ISSUE

In report EC20-25 Administration recommended an Economic Recovery Grant Program (ERGP) to support Regina businesses that are trying to recover from the effects of COVID-19. Executive Committee requested more information related to the eligibility and criteria for the program as well as stakeholder consultation on the program. This supplementary report is intended to respond to this request.

IMPACTS

Financial Impact

There are no direct financial impacts as a result of this report. Financial impacts related to the ERGP are outlined in report EC20-25.

Policy/Strategic Impact

None with respect to this report.

There are no environmental, risk/legal, or other implications or considerations.

OTHER OPTIONS

Administration surveyed business organizations regarding the proposed eligibility requirements and program criteria. The responses were supportive of the program in general.

COMMUNICATIONS

The City of Regina (City) will develop a communications and marketing strategy to support the ERGP.

DISCUSSION

During discussion at Executive Committee, Administration was requested to provide additional information on the ERGP eligibility and other requirements, and to engage with industry regarding eligibility and criteria. The proposed eligibility and other requirements for the program are outlined below:

Economic Recovery Grant Program Intent

The intent of the program is to support local businesses and non-profit organizations that are trying to recover from the effects of the COVID-19 pandemic by remaining open, abiding by new requirements outlined in public health orders, and/or by transitioning to new realities into the future, thereby contributing to the economic recovery of the community.

Eligibility requirements outline the baseline for participation in the program. These represent standards that must be met to make an application to the program. Program criteria recognize that the resources available in the program are small and will not likely fully meet the need of all applicants. Program criteria allow the City to prioritize where investment will be made to ensure that limited resources have the greatest impact on economic recovery for the community.

Eligibility Requirements

The following are the proposed eligibility requirements that businesses and not-for-profit organizations must meet to apply for the Economic Recovery Grant Program.

- The business/organization occupies and operates out of a non-residential property in the City of Regina.
- The business/organization can match the requested grant amount.
- The business/organization has seen demonstrated revenue decline or financial hardship as a result of COVID-19.
- The business /organization is not in tax arrears or owing fees or fines to the City of Regina. If leasing space, the business/organization is in good standing with their

landlord. 'Good standing' means either that lease payments are up to date or the lessee has a formal agreement with their landlord to address overdue lease payments.

Program Criteria

The following are the proposed program criteria against which eligible applications will be assessed. Program criteria allow the City to prioritize where investment will be made to ensure that limited resources have the greatest impact on economic recovery for the community.

Jobs: How will the funds help people return to work or create new positions? (e.g., safety measures, training, etc.)

Financial Sustainability: How will the funds affect the ability of the business to remain open?

COVID-19 Impact: How will the funds counter the impacts of COVID-19 on businesses during the relaunch and recover stages? (e.g., business costs related to social distancing, and keeping customers and employees safe).

Partner Leverage: To what extent will the funds provide an opportunity to unlock funding from other partner organizations to extend the impact?

Economic Diversification: How will the funds contribute to diversification of the business in response to the pandemic? (e.g., adding new products or service or changing what the business does).

Business Transformation: How will the funds help the business succeed by responding to a changing market? (e.g., adding online sales; delivery to homes, or marketing/delivering existing products or services in a new way).

Community Impact: How will the funds benefit members of marginalized groups or those disproportionately affected by COVID-19, such as women, newcomers, indigenous people, people of colour, or people with disabilities?

Consultation with stakeholders:

Administration provided a survey to stakeholders requesting comments on both the proposed Eligibility Requirements and the proposed Program Criteria as well as an opportunity to provide answers to broader questions regarding the program and how it should be targeted. Administration provided the survey to all interested parties and responses were received from the Regina Downtown Business Improvement District, Regina & District Chamber of Commerce, Economic Development Regina, and the Canadian Federation of Independent Business.

In general, all responses indicated support for the proposed program and supported a responsive and quickly delivered approach to help our business community.

Some comments on the overall program were in relation to the timeliness of the program. This grant is focused on balancing the need to provide financial relief quickly while ensuring distribution occurs in an equitable, transparent, productive, and responsible manner. As such, Administration is working to establish an application intake of funding requests that will occur weekly upon program approval during phase 1 & 2 of the program. Each week, a specific number of grants in various amounts will be offered along with a weekly application window.

This intake process will help minimize the need for applicants to rush to apply, knowing that businesses are dealing with different schedules and projects in relation to reopening. This approach also aligns with the evolving economic and social environment. Additionally, Administration anticipates high demand when the grant program opens, and this process will help manage expectations, speed of disbursement, and oversight. To manage expectations, it must be clear that not every grant application will be successful, and that demand will very likely outweigh grant dollars available.

Additionally, one respondent felt the grant funds should be distributed entirely in 2020, removing the phased approach. The proposed design of the grant program is about supporting business in need right now in phase 1. Phase 2 is a strategic approach to supporting businesses with planning their future as they understand better the impacts of the pandemic and will focus on stabilization and diversification of the local economy.

Response to Program Eligibility:

In general, respondents supported the eligibility requirements in the proposed program. All agreed the business or organization applying for funding should be operating in a non-residential property located within Regina and demonstrates financial hardship as a result of COVID-19. Most felt the applicant should be in good standing with the City as well as their landlord if applicable.

Two respondents indicated the ability for the business to contribute a matching amount to their project may limit the number of businesses who can apply. Cash flow at this time being a concern while others felt it crucial if the program is to support the ongoing well being of our economy. The rationale for this criteria is to ensure that those businesses receiving the grant have sufficient financial strength to survive. The resources are limited, and the grant should be invested where it will have the greatest effect on long term economic results. One respondent raised a concern related to how a business demonstrates a revenue decline or financial hardship as a result of COVID-19. Administration will work to address the respondent's concern through the development of an assessment guide for use by the adjudication committee.

Stakeholders were also asked to respond to a potential additional eligibility criteria: The business/organization is locally owned and operated and employs a staff complement of 100 employees or less. This potential requirement was not included in the original information provided to Council, however, has been a discussion point amongst some groups. As a result, Administration included it in the survey to gain more knowledge. Respondents supported that to be eligible the business should be within the City but did not support the ceiling of 100 employees. Rationale being that all businesses operating in the city contribute to the economic recovery of the community.

Response to Program Criteria:

Respondents supported the criteria currently proposed in the program. As part of their response, they were also asked to provide assessment, comments and to rank each of the proposed program criteria in order of importance. This information will help Administration understand the importance of each and will inform how the criteria should be weighted in assessing applications.

Across all responses, the top criteria identified were Financial Sustainability, COVID-19 Impact, Business Transformation, and Jobs. Tangible Placemaking Benefits and Business Transformation were considered somewhat important. All responses indicated that while Environmental Alignment and Partnership Leverage is important to our city, it is not critical in helping our economic recovery.

Program Adjudication:

An adjudication panel will be formed including City Administration and representation from EDR. A scoring matrix created using the program criteria will ensure fair, equitable and impactful distribution of grant funding.

DECISION HISTORY

At the July 8, 2020 meeting of the Executive Committee, the Committee approved report EX20-25 COVID-19 Response – Property Tax Relief and the committee recommended that Council approve the following amendment:

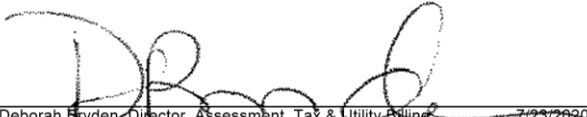
That the said program be administered by the City of Regina:


- a) in administering the program, the City seek advice and input from representative business organizations and other interested parties; and

b) the City of Regina put together a final adjudication committee in adjudicating applications made up of individuals with knowledge of the business sector but who have no conflict of interest in allocating funds.

Respectfully Submitted,

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Barry Lacey, Exec. Director, Financial Strategy & Sustainability 7/23/2020

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