



RR-1

ADMINISTRATIVE REPORT

Report Date: April 10, 2012
Contact: Amanda Pitre-Hayes
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RTS No.: 9556
VanRIMS No.: 08-2000-20
Meeting Date: April 17, 2012

TO: Vancouver City Council
FROM: Director of Sustainability
SUBJECT: Vancouver Greenest City Fund

RECOMMENDATION

- A. THAT Council establish the Vancouver Greenest City Fund to enable community projects in Vancouver that advance the Greenest City Action Plan goals.
- B. THAT Council approve the Vancouver Foundation as a partner in establishing the Vancouver Greenest City Fund with the Vancouver Foundation to act as administrator of the Vancouver Greenest City Fund and provide matching funding.
- C. THAT Council approve a total contribution of up to \$1 million to a Vancouver Greenest City Fund, of which \$0.5 million will be contributed upon inception and the balance to be provided within 24 months after inception; source of funding to be the Parking Sites Reserve.
- D. THAT Council approve the Memorandum of Understanding between the City and the Vancouver Foundation, attached as Appendix A, which defines the partnership, administrative and funding arrangements between the City and the Vancouver Foundation, including Vancouver Foundation's requirement to match the City's financial contribution with an equivalent amount of funding.
- E. THAT all legal agreements with the Vancouver Foundation and any other required parties be on such terms and conditions as are satisfactory to the City Manager, Director of Finance, and Director of Legal Services and generally on such terms outlined in this Report.
- F. THAT all such legal agreements, upon approval pursuant to Recommendation E, be executed and delivered by the Director of Legal Services.

- G. THAT no legal rights or obligations will be created by the adoption of these Recommendations unless and until such legal agreements are executed and delivered by the Director of Legal Services.

REPORT SUMMARY

The purpose of this report is to: recommend the establishment of the Vancouver Greenest City Fund; approve an initial investment of \$0.5 million, and a total investment not to exceed \$1 million; approve the Vancouver Foundation as a funding partner through their commitment to match the City's funding contribution; and approve the Vancouver Foundation as administrator of the Fund.

In 2009, Vancouver Mayor and Council set an ambitious goal to be the Greenest City in the World by 2020. In 2011, they approved The Greenest City Action Plan (GCAP) which outlines goals, targets, strategies and high priority actions to achieve the same. An initiative as bold as the Greenest City Action Plan requires the City to engage and enable the community to lead and participate in projects that will help achieve these goals.

The establishment of a Vancouver Greenest City Fund provides funding to support Greenest City initiatives that is not solely from tax-payer dollars. The City's contribution will be matched by the Vancouver Foundation. The combined investment of \$2,000,000 will be spent down over four years, providing grants to community-led initiatives that help achieve the GCAP goals. It will significantly expand the City's reach in terms of engaging community members to participate in making Vancouver the world's greenest city. Further, the initial \$2,000,000 combined contribution provides a base of capital that can be used by the Vancouver Foundation to attract other not-for-profit, private and corporate contributions to the fund, further leveraging the City's investment.

The Memorandum of Understanding attached as Appendix A outlines the basis for the proposed partnership.

COUNCIL AUTHORITY/PREVIOUS DECISIONS

In April 2002, Council adopted definitions and principles for environmental, economic and social sustainability to guide City actions and operations.

In February 2009, Council passed a motion to establish the Greenest City Action Team (GCAT) as an advisory committee with the mandate to make recommendations to help Vancouver become the greenest city in the world by 2020.

In April 2009, Council approved the Final Budget Estimates allocating \$100,000 toward a Green Grants fund (referred to here as the City Neighbourhood Grants Fund).

In May 2009, Council received the Greenest City Action Team's (GCAT) Quick Starts Report recommending early actions the City can take to help Vancouver become the greenest city by 2020, including a recommendation to establish a "Greenest City Action Fund".

In February 2010, Council adopted the ten long-term goals recommended by the Greenest City Action Team in the "Bright Green Future" Report and directed staff to proceed with the refinement of targets and the development of a Greenest City 2020 Action Plan (GCAP).

In January 2011, Council adopted 14 measurable 2020 targets related to the Greenest City Goals and human health, emphasizing clean water, clean air, and local food.

In July 2011, Council approved 1 additional measurable 2020 target to support greening existing businesses.

In July 2011, Council approved the Greenest City Action Plan which presented a range of strategic high priority actions that support the City to achieve the 15 measurable 2020 targets.

CITY MANAGER'S/GENERAL MANAGER'S COMMENTS

The Greenest City Action Team: Quick Start Recommendations and the Greenest City Action Plan include recommendations to establish a "Greenest City Action Fund." This report outlines the most effective way to establish such a fund to support the implementation of Greenest City targets.

The Vancouver Foundation is Canada's largest community foundation bringing a long history of fundraising and funds administration expertise and local credibility, as well as a matching commitment to contribute to the Fund. Promotion and growth of the Fund will be driven by the Vancouver Foundation with the support of the City to create a uniform and simplified channel for other not-for-profit, private and corporate contributions. This funding arrangement expands opportunities to significantly leverage the City's contribution, and enhances the City's capacity to achieve Greenest City targets.

The City Manager recommends approval of the Recommendations A through G.

REPORT

Background/Context

In 2009, Vancouver Mayor and Council set an ambitious goal to be the Greenest City in the World by 2020. The Greenest City Action Team (GCAT) was launched as an advisory committee in February 2009 and was given a mandate to make recommendations to help achieve this goal. GCAT was made up of individuals with broad experience, expertise and interest in climate protection, transportation, land use, green energy, food security, environmental health, biodiversity, economic development and finance.

In May 2009 GCAT released a series of Quick Start recommendations with initial actions, including the establishment of a Greenest City Action Fund. GCAT later provided the "Bright Green Future" Report, outlining 10 long term goals, each complemented by a specific and aggressive target (or two) to be achieved by 2020. In February 2010, Council adopted the ten long term goals and directed staff to proceed with the refinement of targets and the development of a Greenest City 2020 Action Plan (GCAP) detailing the strategies and actions

necessary to meet these long term goals and 2020 targets. The Plan, approved by Council in July 2011, details over 30 strategies and 125 actions that need to be undertaken by 2020, including “actively supporting non-profits and social enterprises working to reduce ecological footprint and create green neighbourhoods.”

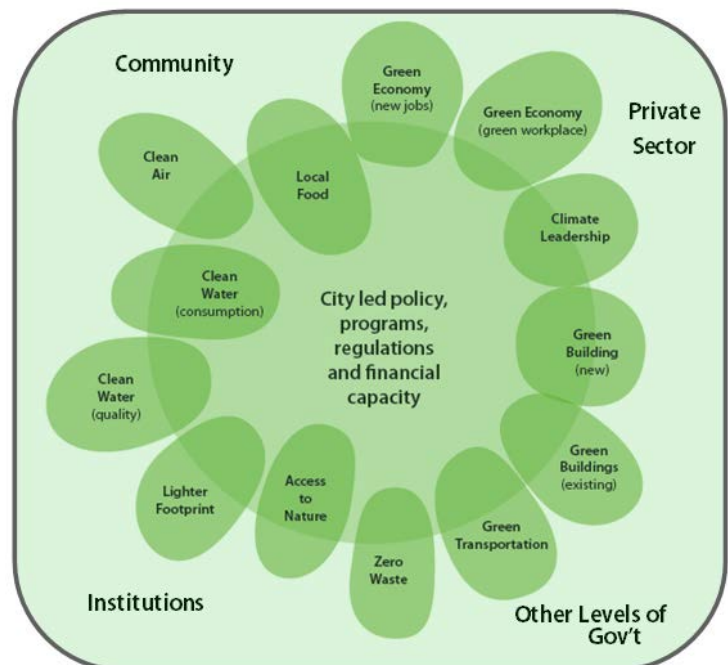
Partnering to fund and enable community-led projects has been core to the delivery of GCAP from the start. In 2009 the City established a Greenest City Neighbourhood Grants program, dispersing \$100,000 per year to various registered non-profit organizations community organizations undertaking projects in support of Greenest City goals. In 2010, the City worked with The Vancouver Foundation to pilot a Greenest City Neighbourhood Small Grants program focused on grants relating to Local Food. The pilot and the partnership were successful and provided a proven model for the proposed partnership for the Vancouver Greenest City Fund.

The concept of the Vancouver Greenest City Fund was created out of a desire for a wider base of funding support to focus on all areas of GCAP and to leverage potential funding outside of the City. The proposed Vancouver Greenest City Fund is the culmination of work and input as to the most appropriate launch point and structure for the Fund. The Vancouver Greenest City Fund will replace and expand upon the Greenest City Neighbourhood Grants program that the City has funded and administered since 2009. Staff will report back as part of the corporate grant review process and make recommendations on future City of Vancouver grant programs aligned with Council priorities.

Strategic Analysis

The purpose of the Vancouver Greenest City Fund itself is to make grants to support community-led projects within the City of Vancouver that advance the Greenest City goals to build the green economy, reduce carbon and waste, and support healthy ecosystems. A partnership with the Vancouver Foundation will create a granting pool with an immediate 1:1 leverage of City monies to enable Greenest City projects in Vancouver, with opportunities to grow the Fund further.

From the outset of the creation of the GCAP, it was clear that the City cannot achieve the Greenest City long term goals and 2020 targets on its own. This figure demonstrates that most of the targets in GCAP can only be achieved in partnership with other levels of government, non-profits, private sector companies, and the community. The Vancouver Greenest City Fund will provide a channel for City investments to be leveraged to provide financial support for community-led projects that help drive progress toward the GCAP targets.



The Vancouver Foundation has been chosen as the initial partner in establishing the Vancouver Greenest City Fund as it brings a long history of excellence in fundraising and funds administration in service of communities in BC; the foundation also has an enviable track record in mobilizing community through its diverse community granting programs. The City is well served in this collaborative venture to come together with a partner who has the desire to work towards common goals, is willing to grow the Fund and brings significant expertise, size and momentum to the fundraising and granting process.

The proposed establishment of this partnership is closely aligned with the objectives of a newly formed North America-wide Urban Sustainability Network, of which the City of Vancouver is a member, emphasizing and promoting partnerships between community foundations and municipalities. This provides a replicable model of leveraged funding partnerships that other municipalities can follow.

The development of the Vancouver Greenest City Action Plan involved thousands of hours of volunteer time by partners and residents across the city and input from over 35,000 people. The Greenest City Fund takes this significant public engagement effort to the next level by providing necessary resources to enable residents and organizations to directly contribute to the Greenest City goals.

The Vancouver Greenest City Fund will be initially targeted to provide financial support for projects through grants in the following areas:

- *Local Food: Supporting a just and sustainable food system*
- *Climate & Green Buildings: Reducing energy use*
- *Green Transportation: Enabling active transportation*
- *Zero Waste: Increasing composting, re-use and recycling*
- *Access to Nature: Increasing the urban forest, creating habitat and natural spaces*
- *Clean Water: Conserving drinking water*
- *Green Economy: Greening business*

Three funding streams are proposed:

- Generation Green;
- Green Small Neighbourhood Grants;
- Green Community Grants.

The Generation Green program expands on an existing partnership between the City of Vancouver and the Vancouver Foundation that provides \$100,000 per year to fund up to 100 projects led by Vancouver's Youth in support of the Greenest City Goals.

The Greenest City Neighbourhood Small Grants program builds upon an existing, successful neighbourhood based granting program run by the Vancouver Foundation. The program will provide up to \$70k per year to fund up to 300 projects led by Vancouver residents interested in running projects in their neighbourhood that support the Greenest City Goals.

The Greenest City Community Grants program also builds upon an existing, successful, Vancouver Foundation program. The program will provide up to \$330k per year to fund up to 60 projects led by charitable organizations that support the Greenest City Goals.

Granting criteria for these programs will be jointly established by the City of Vancouver and the Vancouver Foundation, with project recipients recommended by program advisory committees with City of Vancouver representation. The City and the Vancouver Foundation will review Fund progress every six months to ensure that funded projects are successfully advancing Greenest City Goals.

Together, it is expected that the funding dispersed through these three program streams will enable up to 450 projects per year, engaging up to 2,000 community leaders and 10,000 Vancouver residents over the life of the fund.

The expected benefits from the Fund include:

- Increased ability to deliver on GCAP 2020 targets
- Tangible examples of Greenest City in action which will help build community awareness and support of GCAP
- Increased community involvement and leadership
- Additional matching investment offered by the Vancouver Foundation and potential other partners
- Reduced City staff resources required to deliver granting programs

Implications/Related Issues/Risk (if applicable)

Financial

The overall contribution from the City is \$1 million, which will be matched by \$1 million from the Vancouver Foundation. In total, the \$2 million grant program will span four years with approximately \$0.5 million of grants distributed each year. In addition, Vancouver Foundation will continue to leverage further donor contributions where possible to optimize the program. The program will be administered by the Vancouver Foundation for an annual fee of 0.65% of the Funds administered, which will be partially offset by the investment earnings net of a 0.2% investment management fee. The Vancouver Foundation will provide administration and recording services for issuing tax receipts and arranging distribution of grant monies.

Of the City's contribution, \$0.5 million will be contributed upon inception and the remaining balance to be provided within 24 months of the fund's establishment. The source of the City's funding contribution will be the Parking Sites Reserve.

The Parking Sites Reserve is established to provide funding for the acquisition, development, and maintenance of off street parking facilities owned by the City. Funding of the reserve itself is provided mainly from revenues generated by the operation of these off street parking facilities by the Parking Corporation of Vancouver (EasyPark). Given that there is a reduced expectation of expansion of off street parking facilities in the short term, it is proposed that this reserve be used to fund this proposal on a one-time basis.

Human Resources/Labour Relations

Staff time contributing to the Vancouver Foundation grant administration processes will be provided through existing resources

Environmental

The Vancouver Greenest City Fund will provide funding support for initiatives that will achieve progress towards the Greenest City goals. The Fund underpins many of the positive environmental outcomes which will result from these initiatives, including increased green jobs and use of active transportation, and reduced greenhouse gas emissions and waste. The Fund will also act as a catalyst to mobilize additional investment and donor funds from outside the City which will further magnify the positive environmental impact.

Other - Social implications

Providing funding to support neighbourhood based projects will create a number of community benefits, including increasing community cohesion, leadership and capacity and engaging diverse groups beyond the reach of City-led programs. The projects will facilitate a range of people, community groups, and businesses within neighbourhoods to work together, and create new neighbourhood networks. Feedback from past granting programs indicates that providing even small amounts of funding contributes to community leaders and volunteers feeling that they are valued and supported. The Vancouver Greenest City Fund will also indirectly support a number of positive social outcomes by supporting initiatives which engage those with barriers to employment.

CONCLUSION

The establishment of the Vancouver Greenest City Fund represents an essential and significant step forward on the path to becoming the Greenest City in the world by 2020.

Through a strategic partnership with the Vancouver Foundation, the City will develop a mechanism to supplement existing City resources that benefits both the tax payer and the community.

Fundraising by the Vancouver Foundation provides an ability to grow the Fund further over time, through other not-for-profit, private and corporate contributions. Partnering with this established Vancouver institution of fundraising and philanthropic fund management excellence will enable projects that can move the City towards the Greenest City goals.

This \$2,000,000 fund will enable hundreds of projects, and engage thousands of Vancouver residents, increasing community cohesion and leadership while furthering progress toward an important Council Priority.

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Appendix A

Memorandum of Understanding
between
City of Vancouver (City)
and
Vancouver Foundation (VF)
for the
Vancouver Greenest City 2020 Fund
("the Greenest City Fund")

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Dated the _____ day of _____, 2012.

Preamble

As part of the Greenest City Action Plan, the City of Vancouver is partnering with the Vancouver Foundation to establish a community investment fund called the Vancouver Greenest City 2020 Fund “The Greenest City Fund” to support Greenest City initiatives in Vancouver. The partnership with the Vancouver Foundation is intended to maximize the impact of the Greenest City Fund, broaden its reach and better leverage the potential impact. This partnership is seen as a strong building block for the Greenest City Fund to leverage investment by the City from additional contributions through the established channels of the Vancouver Foundation. The City welcomes the opportunity to build on the strong working relationship which exists and to partner more closely with this long standing Vancouver based foundation. Joint investment into the Greenest City Fund and shared decision making will ensure maximum donor/investor appeal to broaden the base in support of green initiatives and optimal placement of funds in local green projects.

Vision

To meet the goal of the Greenest City 2020 by establishing the Greenest City Fund as a cornerstone to support positive change in Vancouver neighbourhoods and provide leadership in the creation of a replicable model of financial support. Investments or grants made from the Greenest City Fund must be aligned with the long term goals and actions of the Greenest City Action Team as described in the Greenest City Action Plan and approved by Vancouver City Council July 2011.

Objectives of the Greenest City Fund

1. Empower Vancouver neighbourhoods to “go green” by creating a funding pool to support positive change in environmental sustainability in Vancouver
2. Leverage City funding as a catalyst for broader Not-for-Profit, private and corporate contributions
3. Provide leadership in creating a replicable model for funding partnerships between civic, corporate and community interests
4. Leverage the investments of both VF and the City
5. Provide a cornerstone element for VF fundraising around sustainability and other community initiatives within the City of Vancouver

Responsibilities of COV and VF

1. Each of the City and VF to make an initial contribution at inception of \$500,000 to the Greenest City Fund
2. Each of the City and VF to commit to raising additional matched funding to generate contributions to the Greenest City Fund of \$1,000,000 each (which includes the initial contributions of \$500,000), within 24 months of inception of the Greenest City Fund
3. Both VF and the City will continue to seek opportunities to raise funding over time for further contributions to the Greenest City Fund
4. Both VF and the City will promote the Greenest City Fund
5. Any direct costs incurred by VF associated with raising contributions and revenue beyond the initial \$1,000,000 VF contribution to the Greenest City Fund will be shared by both VF and the City, such costs which may be taken out of the capital of the Greenest City Fund
6. City to have two representatives on the up to 15 member Advisory Committee which will make granting and investment recommendations on distributions under the Green Fund with final approval by the VF Board of Directors
7. VF will carry out administrative functions related to the Greenest City Fund as noted on page 5 of this agreement

Funding Sources to include:

1. City of Vancouver
2. Vancouver Foundation
3. Other public and private Foundations
4. Charities and Not-for-Profit organizations
5. Individual and corporate contributions
6. Investment returns from market based investment opportunities

Funding Guidelines of the Greenest City Fund

1. Distributions will be guided by the Greenest City Action Plan long term goals
2. In an overall sense grants are to be used in support of specific green initiatives to neighbourhoods, other specific identified community projects or environmental innovation projects in the City of Vancouver
3. There should be evidence of collaboration with the community and/or other agencies in the field, as appropriate
4. Projects should use, enhance, mobilize or expand the skills, capacities and assets of local people and their community
5. The applicant organization should demonstrate inclusiveness and respect for cultural diversity
6. Any proposed initiative must involve the community that may be affected in the development, implementation and evaluation of the proposal
7. Projects that will be ongoing after the end of the grant should provide realistic plans for longer-term funding
8. Multiyear funding (to a maximum of three years) will be given consideration for initiatives or activities that may take longer than one year to fully develop or to achieve results that are meaningful, or to build sustainability
9. Under exceptional circumstances, consideration will be given to multiple requests for distinct projects and initiatives from a single applicant organization within one year, or for more than one project or initiative being funded at once
10. Subject to Advisory Committee review and recommendation on specific projects, funding will not be provided for:
 - Ongoing operating or core expenses
 - Retroactive funding for any project/expenses to be incurred prior to the granting decision
 - Debt retirement or reserves; mortgage pay-downs
 - Travel to attend conferences or symposia or annual events
 - Endowment funds

Promoting the Fund

1. A communications plan including key public messaging for the Greenest City Fund to be developed and approved jointly by the City and VF
2. City and VF will support endorsement and marketing of the Greenest City Fund with VF to be the key driver of external promotional activities

Administration

1. The Greenest City Fund is to be administered in accordance with CRA regulatory requirements
2. The costs of administration of the Greenest City Fund by VF will be 65 basis points (bps) per annum of funds under administration (subject to standard tariff adjustments as applied to other similar managed funds held at VF)
3. Any monies placed in market investments from the Greenest City Fund will attract a market return to the Greenest City Fund less an investment management fee (currently 20 bps per annum and subject to changes imposed by the external investment manager)
4. VF will provide regular access to information about the Funds, donation processing, tax receipt issuance and disbursement handling
5. There will be no specific fee applied for one-time flow through funding gifts provided that this is the exception rather than the rule and does not become an excessive workload issue from an administrative perspective which would then require a joint discussion for resolution
6. The Greenest City Fund will be incorporated into standard public reporting of VF distribution activity
7. The City and VF will not be restricted from conducting its own green granting programs in addition to granting which occurs through the Greenest City Fund
8. A bi-annual review (i.e. every six months) of the terms of reference and functioning of the Fund will be done to ensure the objectives of the Fund continue to be met for both parties
9. If determined on review that the operation of the Fund is not sufficiently providing the outcomes desired, and subject to a 6 month notice period, either partner may withdraw from the partnership with any undistributed contributions from the City's own resources to be returned to the City on a proportionality basis based on receipted gifts from the City
10. The targeted contributions of \$2,000,000 will be granted/invested over a 4 year period following inception of the Greenest City Fund
11. There may be a possible integration of City community project granting activities with the Greenest City Fund, subject to the approval of VF
12. The City being a qualified donee may also be a grant recipient of the Greenest City Fund
13. The Greenest City Fund Advisory Committee has discretion to access & distribute funds as soon as the Greenest City Fund has been established

Meeting Protocol

1. Advisory Committee meetings will be held minimally twice a year
2. Administrative services to support the Advisory Committee will be provided by VF
3. A summary of Fund accounting to be provided quarterly to include reporting of funds available and funds distributed

City of Vancouver

Per: _____

Date: _____

Name:

Title:

Vancouver Foundation

Per: *Faye Wightman*

Date: March 29, 2012

Name: Faye Wightman

Title: President and CEO