

## Options for Providing Financial Relief at The Orange Hub

### 1. Establish a One-Time Operating Grant - Recommended

#### Benefits

- An operating grant sets out a range of eligible operating expenses, allowing each tenant flexibility to manage the relief funds and to direct resources according to their organization's debt priorities.
- The approved funding could be distributed to tenants as a lump payment which can provide immediate relief to those in greatest need.
- A new grant could be quickly implemented using the City's established processes and procedures for the administration of the program.
- Approved grant funding could be used to address a tenant's deferral agreement or arrears (if any).

#### Risks

- When grant funds are released, despite established parameters of use, they could be applied to ineligible expenses.
- Organizations outside The Orange Hub could consider this grant precedent-setting and request similar funding considerations.

### 2. Enter Lease Abatement Agreements - Not Recommended

#### Benefits

- By abating a portion of the lease payment owed to the City, a tenant's overall monthly operational expenses could be reduced, creating the opportunity for the organization to reallocate their financial resources to other priorities.
- An abatement agreement could be applied to a partial or full year and could be retroactive.
- Terms of an abatement agreement could be tailored to the needs of each tenant.

#### Risks

- Relief would be in the form of a reduced lease payment which does not provide any direct funding that tenants could use where it may be most needed.
- An abatement program could not be implemented quickly for commercial tenants, as the proposed program would have to be advertised under the *Municipal Government Act* followed by a 60 day petition period prior to obtaining City Council approval.
- This could create an expectation for abatement in future years, as well as with tenants in other City buildings.
- Abatement could be perceived as being unfair and inequitable to all the City's tenants and could result in additional abatement requests beyond The Orange Hub.

### 3. No Municipal Relief - Not Recommended

#### Benefits

- The City would not incur the expense or forego revenues associated with a relief program.

#### Risks

- Tenants were previously ineligible for the federal rent subsidy program and could receive only partial relief funding in the future. Some tenants could continue to experience financial hardships, despite the existence of relief programs offered by other levels of government.
- The federal Canada Emergency Rent Subsidy and Canada Emergency Wage Subsidy programs are scheduled to end in September 2021. Organizations could continue to experience hardships after the end of the programs.
- Without support at the municipal level, some tenants may not have the financial resources to remain at The Orange Hub.
- A loss of tenants would have a direct negative impact on the sense of community and the working relationship between Administration and tenants. Additionally, the facility revenues would decrease and the ability to attract new tenants could be compromised.