



Regional Board Report

Request for Decision

To: Regional Board
From: Director of Financial Services
Date: November 16, 2023
Subject: Growing Communities Fund Allocation

Voting Entitlement: *All Directors – Weighted Corporate Vote – Simple Majority (LGA s.210)*

Purpose: To consider the allocation of Growing Communities Fund monies to projects.

Executive Summary:

On March 16, 2023, the Province of BC announced the creation of the Growing Communities Fund (GCF), a one-time grant program for local governments with the primary goal of increasing the housing supply. The grant has some conditions, one of which is the allocation of the grant to appropriate regional district services by the end of the current calendar year. Actual spending will be reported out on an annual basis as part of the financial reporting requirements under the *Local Government Act* (section 377(1)(a)).

Regional District staff have identified projects that meet the GCF criteria as well as the Regional Board's strategic priorities and provided a recommended allocation of the monies received. They are provided in Appendix A.

The ability to use these funds to support currently planned investments will help to accelerate the delivery of the capital projects and reduce the financial pressures on the residents of the Regional District.

Recommendation(s):

THAT the Regional Board approve the allocation of Growing Community Fund monies as identified in Appendix A – Growing Communities Fund Projects and Allocation Recommendations attached to the report from the Director of Financial Services dated November 16, 2023.

Report Approved by:

A handwritten signature in black ink, appearing to read "Tania McCabe".

Tania McCabe, CPA, CA
Director of Financial Services

Approved for Agenda:

A handwritten signature in black ink, appearing to read "Sally Ginter".

Sally Ginter
Chief Administrative Officer

Strategic Plan Alignment:

- | | |
|---------------------------|--|
| ✓ Emergency preparedness | ✓ Truth and reconciliation |
| ✓ Health and wellness | ✓ Environment and climate – Regional priority only |
| ✓ Regional transportation | <input type="checkbox"/> Growth and development – Electoral Area priority only |
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Background:

In a letter to local government, dated March 16, 2023, the Province of BC announced the creation of the Growing Communities Fund (GCF), a one-time grant program for local governments with the primary goal of increasing the housing supply. The letter outlines the eligible costs and reporting requirements for the grant. Specifically:

“the funding ... should be limited to one-off costs needed to build required infrastructure and amenities rather than funding ongoing operational activities. These funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects”.

The allocation of the funds must be determined by December 31, 2023, and the Province requests that the funds be expended within five years of receipt. Year-end reporting on the expenditure of funds will be through a schedule to the annual financial statements.

Ministry staff have confirmed that the intent of the GCF is to enable local governments to build infrastructure for the services necessary to support growth in their communities. The province provided two Frequently Asked Questions (FAQs) documents, one for municipalities and one for regional districts. These are attached and provide answers to questions in the following areas:

- a description of the program,
- eligible uses of the funds,
- allocation of the funds,
- timing of expenditures
- reporting
- reserve funds

Some key take aways from the FAQs are:

- What the funds can be used for. For the RDCO, the following service areas could be looked at:
 - Water & wastewater.
 - Solid waste.
 - Public safety.
 - Active transportation.
 - Public transit infrastructure.
 - Parks.
- What types of expenditures are eligible.
 - Capital costs.
 - Feasibility studies.
 - Design and tendering costs.
 - Land acquisition.
- What cannot be done with the funds.
 - They cannot be contributed to a third party.

- One exception is for infrastructure owned by a First Nation where there is a shared service relationship between the First Nation and the Regional District.
- How the funds should be allocated.
 - The funds are intended to be used for regional priorities.

The funding formula provides per capita funding based on both the regional and electoral area populations. There is also additional funding provided based on the population growth in the electoral areas. The Regional District received a total of \$6.95 million.

These funds represent a significant grant that could support a variety of unfunded investments in the current five-year financial plan. Providing financial support to a regional service will benefit every property owner in the regional district and will meet the intent of the funding. It is also important to recognize the need to support services in the electoral areas in a way that reflects the intent of the funding.

Staff have reviewed the financial plan and identified several projects that would meet the program criteria. Appendix A provides a detailed list of these projects. The total project cost, by service type and department is:

Department	Service	Project Costs
Engineering	Waste Reduction	7,650,000
	Regional Rescue (COSAR)	8,400,000
	Westside Waste Disposal	438,175
	Solid Waste Collection	175,000
Parks	Regional Parks	1,705,000
	Westside Community Parks	275,000
	Eastside Community Parks	100,000
	Ellison Heritage Community Centre	125,000
	Joe Rich Community Centre	125,000
Fire	Ellison Volunteer FD	827,000
	Joe Rich Volunteer FD	309,000
	North Westside Volunteer FD	670,000
	Wilson's Landing Volunteer FD	66,000
		\$ 20,865,175

As expected, the total cost of the identified projects exceeds the funding available. Because of this, staff have prioritized the projects and provided recommendations.

The recommended allocation, by service and department is:

Department	Service	Allocation
Engineering	Waste Reduction	\$ 1,050,000
	Regional Rescue (COSAR)	4,186,190
Parks	Regional Parks	850,000
Fire	Ellison Volunteer FD	215,545
	Joe Rich Volunteer FD	215,545
	North Westside Volunteer FD	366,720
	Wilson's Landing Volunteer FD	66,000
		\$ 6,950,000

Please refer to Appendix A which provides the details of the recommended amounts for each project, including:

- Project title
- Service
- Description of the project
- Applicable RDCO Board strategic priority
- Applicable Growing Communities Fund criteria
- Whether it is regional in nature
- Project budget
- Recommended funding from the Growing Communities Fund
- Justification for the recommendation

The ability to use these funds to support currently planned investments will help to accelerate the delivery of the capital projects and reduce the financial pressures on the residents of the Regional District.

Considerations:

Organizational/External: The expenditure of monies received from the Growing Communities Fund grant must be done in accordance with the criteria set by the Province of BC.

Financial: The allocation of monies received from the Growing Communities Fund grant will alleviate taxation pressures for services receiving the allocation.

Alternate Recommendation: THAT the Regional Board approve the allocation of Growing Community Fund monies as identified in the attached report, with the following amendments.

Considerations not applicable:

- Legal/Statutory Authority

Attachment(s):

1. Appendix A – Growing Communities Fund Projects and Allocation Recommendations
2. Growing Communities Fund - Letter
3. Growing Communities Fund - Frequently Asked Questions – Regional Districts
4. PowerPoint Presentation