

DATE: March 20, 2023

TO: MAYOR AND COUNCIL

NAME AND TITLE: Kris Dalio, Director of Finance and IT Services

SUBJECT: BC Growing Communities Fund (GCF) Grant and Reserve Fund Establishment Bylaw

ATTACHMENT(S): None

RECOMMENDATION(S):

1. That Council give first three readings to “BC Growing Communities Reserve Fund Establishment Bylaw No. 9392, 2023”.
2. That Council approve that the grant revenue of \$12,498,000 and transfer to the BC Growing Communities Reserve Fund be included in the 2023 – 2027 Financial Plan.

PURPOSE:

The City is the recipient of a \$12,498,000 grant under the B.C. Government’s recently announced BC Growing Communities Fund (GCF) program. This report is provided to Council to seek approval to establish the City’s new BC Growing Communities Reserve Fund and the inclusion of the grant revenue and associated transfer of those funds to this new reserve in the 2023 – 2027 Financial Plan Bylaw.

POLICY/REGULATORY ANALYSIS:

The Province of BC is providing a one-time total of \$1 billion in grants to all 188 BC municipalities and regional districts. Grants are distributed using a formula that adjusts for population size and per-capita population growth between 2016 and 2021, based on BC Stats.

The principle objective of the GCF is to increase the local housing supply with investments in community infrastructure and amenities. Municipalities are encouraged to work with adjacent local First Nations.

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

Eligible costs are as follows:

- Public drinking water supply, treatment facilities and water distribution;
- Local portion of affordable/attainable housing developments;
- Childcare facilities;

- Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
- Wastewater conveyance and treatment facilities;
- Storm water management;
- Solid waste management infrastructure;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Active transportation amenities not funded by senior level government;
- Improvements that facilitate transit service;
- Natural hazard mitigation;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation-related amenities.

One-off costs can include:

- Costs of feasibility studies (including infrastructure capacity assessment); other early-stage development work; costs of designing, tendering and acquiring land (where it is wholly required for eligible infrastructure projects); constructing eligible infrastructure projects; and, in limited situations, non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities.

The following terms and conditions have been placed on the funds to ensure the optimal transparency of their use:

- The funds from the grant must be placed in a separate dedicated reserve fund established by bylaw (s. 188 of the *Community Charter* allows Council to establish a reserve fund, by bylaw, for a specified purpose and direct that money be placed to the credit of the reserve fund);
- The City must annually report on
 - the use of money in this reserve fund over the calendar year, and
 - the balance of the reserve fund at the end of the calendar year;
- This report must be included as a separate schedule to the annual audited financial statements;
- This annual reporting must continue until the reserve fund is completely utilized (i.e. drawn down to zero);
- Further to the financial reporting, an annual report that identifies work-related Housing Needs Reports and pre-zoning requirements, as applicable, is required;
- Requirements including parameters for public recognition of the funding related to projects. The province must be consulted prior to any proactive media events or news releases related to the project. Funded projects must also acknowledge the province's contribution through temporary and permanent on-site signage.

The provincial government anticipates that the funds will be expended within approximately five years of receipt.

STRATEGIC PRIORITIES:

The BC Growing Communities Reserve Fund Establishment Bylaw supports Council's Priorities of "Sustainable Fiscal Management", "Sustainable Infrastructure" and "Organizational Excellence".

OTHER CONSIDERATIONS:

Council approved the 2023 – 2027 Financial Plan during the January 30th and February 2nd budget meetings. The final approval of the five-year financial plan will start during the April 24th open Council meeting when that information is summarized and presented in bylaw format for first three readings.

SUMMARY AND CONCLUSION:

Establishing the BC Growing Communities Reserve Fund is a requirement from the Ministry of Municipal Affairs. Administration is asking Council to approve the inclusion of the BC Growing Communities grant revenue, and the associated transfer of funds to the reserve, in the bylaw that will be presented to Council in April.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance and IT Services

APPROVED:

Walter Babicz, City Manager
Meeting date: March 27, 2023