

Report to Council



Date: August 12, 2024
To: Council
From: City Manager
Subject: 2024-2034 Canada Community-Building Fund Agreement
Department: Financial Planning, Treasury

Recommendation:

THAT Council authorizes the Mayor and Corporate Officer to sign the 2024-2034 Canada Community-Building Agreement;

AND THAT the 2024 Financial Plan be amended to reflect the renewed funding agreement.

Purpose:

To provide signing authority for the 2024-2034 Canada Community-Building Fund agreement and amend the 2024 Financial Plan to reflect the new funding agreement.

Background:

The 2014-2024 Canada Community-Building Fund (formerly known as Gas Tax) agreement has been replaced with a ten-year tripartite agreement between the Government of Canada, the Province of BC, and Union of BC Municipalities (UBCM). As part of the renewed Canada Community-Building Fund Agreement, UBCM will continue to provide funds to each local government through the Community Works Fund. These funds are to be used for investments in local infrastructure and capacity-building priorities. To receive these funds, a new agreement between the City of Kelowna and UBCM must be signed by the Mayor and Corporate Officer.

Municipal fund allocations are determined using a formula that incorporates a minimum base amount and an additional per capita amount. Local governments are responsible for selecting the projects to be funded. Allocated funds must be utilized within five years of receipt. Any funds retained under the previous agreement must be expended within five years of entering into the new agreement.

Eligible Projects

Eligible Projects include investments in infrastructure for its construction, renewal or material enhancement in each of the following categories (as defined in the current agreements terms and conditions):

Productivity and Economic Growth

- Local roads and bridges – roads, bridges and active transportation infrastructure
- Regional and local airports – airport-related infrastructure (excludes the National Airport System)
- Broadband connectivity – infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities
- Public transit – infrastructure which supports a shared passenger transport system which is available for public use

Clean Environment

- Drinking water – infrastructure that supports drinking water conservation, collection, treatment and distribution systems
- Wastewater – infrastructure that supports wastewater and storm water collection, treatment and management systems
- Solid waste – infrastructure that supports solid waste management systems including the collection, diversion and disposal of recyclables, compostable materials and garbage
- Community energy systems – infrastructure that generates or increases the efficient usage of energy

Strong Cities and Communities

- Sport Infrastructure – amateur sport infrastructure (excludes facilities, including arenas, which would be used as the home of professional sports teams or major junior hockey teams (e.g. Western Hockey League))
- Recreational Infrastructure – recreational facilities or networks
- Cultural Infrastructure – infrastructure that supports arts, humanities, and heritage
- Tourism Infrastructure – infrastructure that attract travelers for recreation, leisure, business or other purposes
- Resilience – Infrastructure and systems that protect and strengthen the resilience of communities and withstand and sustain service in the face of climate change, natural disasters and extreme weather events.
- Fire halls – fire halls and fire station infrastructure – including fire trucks

Capacity building

- Investments related to strengthening the ability of municipalities to develop long-term planning practices including capital investment plans, integrated community sustainability plans, integrated regional plans, housing needs assessments and housing planning, and/or asset management plans, related to strengthening the ability of recipients to develop long-term planning practices.

Ineligible Projects

Infrastructure and services ineligible for investment with funds received from the Community Works Program include:

- Education, daycare, and childcare centers
- Social housing and social services, except for brownfield remediation
- City halls, public works buildings, and other administrative buildings
- Senior care facilities and housing
- Health infrastructure, including hospitals, convalescent centers, and senior centers
- Small equipment purchases
- Art and exhibit manufacturing
- Non-fixed assets

Discussion:

As part of the new 2024-2034 agreement, the Canada Community-Building funding will now be tied to housing for larger communities in BC (communities over 30,000 outside of Metro Vancouver). Kelowna is one of 14 communities in BC that will be impacted by this new requirement. Municipalities are now required to create or update a Housing Needs report as well as demonstrate how the projects relates to growth pressures and how they are aligned with accelerating housing in the community.

Other changes to the agreement include additional eligible investment areas of:

- New construction of public infrastructure and/or modification or reinforcement of existing public infrastructure including natural infrastructure that prevent, mitigate or protect against the impacts of climate change, disasters triggered by natural hazards, and extreme weather.
- Fire Trucks as a stand-alone project.
- Feasibility Studies and Detailed Design projects for all eligible infrastructure projects and Housing planning.

As well as additional project reporting requirements:

- Geolocation for each project.
- A standardized metric of output for each project.
- The standardized output of each project based on the standardized metric.

Conclusion:

The Community Works Fund offers a stable, non-tax revenue source to support the city's infrastructure needs. It is recommended that Council authorize the Mayor and Corporate Officer to sign the 2024-2034 Community-Building Agreement and for the 2024 Financial Plan be amended to include the renewed funding agreement.

Internal Circulation:
Partnerships Office

Considerations not applicable to this report:

Conclusion:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

Consultation and Engagement:

Communications Comments:

Submitted by: M. Antunes, CPA Financial Planning Manager

Approved for inclusion: J. Sass, CA, CPA Director of Financial Services

cc: J. Jean, Budget Supervisor; J. Lawson, Treasury Supervisor

Attachment: PowerPoint 2024-2034 Canada Community-Building Fund Agreement