

## SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

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**TO:** Finance Committee (Round 1 Budget) – November 25 and 26, 2024

**AUTHOR:** Alex Taylor, Manager, Budgeting and Grants

**SUBJECT:** CANADA COMMUNITY-BUILDING FUND-COMMUNITY WORKS FUND SCOPE UPDATE

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### RECOMMENDATION(S)

**THAT the report titled Canada Community-Building Fund-Community Works Fund Scope Update be received for information.**

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### BACKGROUND

On August 19, 2024, the Sunshine Coast Regional District (SCRD) entered a new 10-year Community Works Fund (CWF) agreement, ensuring reliable annual payments for capital projects through 2034. This renewal brings revised terms and newly eligible categories, reflecting federal and provincial goals for sustainable infrastructure, community resilience, and economic growth.

On October 24, 2024, the Board directed staff to provide additional details on the expanded scope of eligible projects under this renewed agreement.

294/24 **Recommendation No. 3** *Canada Community Building Fund - Community Works Fund Update*

THAT the report titled Canada Community-Building Fund - Community Works Fund Update be received for information;

AND THAT staff provide more information on the expanded scope of eligibility for projects under the new Community Works Fund agreement.

The purpose of this report is to provide additional information on the expanded scope of eligibility for projects under the new Community Works Fund agreement as well as an update on changes from the previous agreement.

### DISCUSSION

Eligible projects continue to include expenditures associated with acquiring, planning, designing, constructing, renewal/rehabilitating infrastructure and any related debt financing charges. Infrastructure is defined as a municipal or regional, publicly or privately owned tangible capital asset or natural asset that is primarily available for public use and provides substantial public benefit.

**Overview of Key Changes to the 2024-2034 Community Works Fund (CWF) Agreement**

Included in the table below is a complete list of eligible Project criteria as set out in the 2024-2034 agreement.

Table 1: Eligible Investment Categories

<b>Productivity and Economic Growth</b>	
Local Roads and Bridges Active Transportation Regional and Local Airports Broadband Connectivity	Public Transit Short-sea Shipping Short-line Rail
<b>Clean Environment</b>	
Drinking Water Wastewater Solid Waste	Community Energy System Brownfield Redevelopment
<b>Strong Cities and Communities</b>	
Sport Infrastructure Recreation Infrastructure Cultural Infrastructure	Fire Halls & Fire Trucks Tourism Infrastructure Resilience
<b>Capacity Building</b>	
Asset Management Long-term Infrastructure Planning Integrated Community Sustainability Planning Housing Needs Reports	

The renewed CWF agreement introduces four major updates that will impact project eligibility, reporting requirements, spending timelines, and funding calculations. The following is a detailed breakdown of these changes and their implications for the SCRD.

**1. Expansion of Eligible Investment Categories**

The new agreement broadens the scope of projects that can receive CWF funding. Eligible investments continue to include costs for acquiring, planning, designing, constructing, renewing, or rehabilitating infrastructure. This also encompasses associated debt financing charges. The definition of "infrastructure" remains focused on tangible capital assets, either municipally, regionally, or privately owned, as long as they are primarily for public use and offer significant public benefit.

**Key Updates in Eligible Categories:**

- **Third-Party Owned Assets:**

Previously, CWF funding was limited to assets owned by local governments. The new agreement allows funding for projects involving third-party owned assets, subject to specific conditions:

1. ***The SCRD Board must identify the project as a regional priority within a long-term capital investment plan.***

**2. The project cannot take precedence over SCRD-owned priority projects.**

**3. The project must be supported by asset management planning.**

*Implications:* The Board has yet to identify any projects as regional priorities within a long-term capital plan that would enable eligibility under this new provision. Projects that do not meet these requirements will no longer qualify for CWF support, requiring an alternative funding source.

- **Expanded Categories for Resilience and Fire Services:**

- The former "Disaster Mitigation" category has been renamed "Resilience" and now covers new public infrastructure aimed at preventing, mitigating, or protecting against climate change and extreme weather events, including natural infrastructure.
- The Fire Hall category has also been expanded to permit funding for fire truck purchases, providing increased flexibility for capital investments related to fire services.

- **Housing and Capacity-Building Initiatives:**

- The agreement now includes Housing Needs Assessments and related planning within the "Capacity Building" category. The SCRD can allocate funds for planning but does not have an established service for the purpose of actioning housing projects.

## **2. Additional Reporting Requirements**

The new agreement introduces enhanced reporting obligations to ensure accountability and transparency in the use of CWF funds:

- **Annual Reporting Deadline:**

- All local governments must continue to submit their Annual Expenditure Reports by June 1st each year.

- **Geolocation Reporting:**

- Geolocation data is now required for each funded project. The SCRD will receive further information on the specific requirements for this data from the Union of British Columbia Municipalities (UBCM).

- **Output and Outcome Reporting:**

Projects that receive more than \$25,000 in CWF funding must complete annual output and outcome reports. Examples of required data include:

- **Output Metrics:** Length of road constructed, square meters of recreation space built, or cubic meters of treated water.

- **Outcome Metrics:** Increased population served by infrastructure, improved storage capacity, etc.
- **Additional Requirements for Larger Communities:**
  - For communities with a census population exceeding 30,000, there is a requirement to share Housing Needs Assessments with UBCM, in compliance with provincial legislation. The SCRD’s Housing Needs Report was presented at the Nov 21, Electoral Areas Committee.

**3. Spending Timelines for CWF Funds**

The new agreement stipulates clear timelines for the expenditure of CWF funds:

- **Five-Year Spending Rule:**
  - Local governments must spend CWF funds within five years of receipt. If a project is anticipated to extend beyond this timeframe, it must be identified within a long-term capital or financial plan, which must be submitted to UBCM for consideration.
- **Unspent Funds from Previous Agreements:**
  - Any CWF funds carried over from the 2014-2024 agreement must be expended within five years of entering the new agreement, making the deadline August 2029.

Included in the table below is the total funding prior to the renewed agreement as well as the funds that are expected to be received up until the 2028/2029 funding year.

		Estimated Allocation (Note 1)				
Year	Expected Funding	Area A	Area B	Area D	Area E	Area F
Uncommitted- Prior Agreement		275,612	991,214	1,364,259	2,200,884	8,633
2024	783,803	150,558	147,090	174,536	192,371	118,248
2025	783,803	150,558	147,090	174,536	192,371	118,248
2026	783,803	150,558	147,090	174,536	192,371	118,248
2027	815,155	156,580	152,974	181,518	200,066	124,017
2028	815,155	156,580	152,974	181,518	200,066	124,017

**Note 1**

The allocation to each of the Electoral Areas is calculated based on a per capita basis as per the most recent census (2021). As changes in population distribution are expected to be seen in the 2026 census, the allocations of future CWF payments may differ.

**4. Revised Funding Calculation**

The renewed agreement retains a consistent allocation model, ensuring predictable per capita funding for local governments with a guaranteed funding floor. This stable funding allows for

strategic planning and investment in community infrastructure projects aligned with local and national priorities.

**Current Financial Overview**

**Available Funds Prior to the Agreement Renewal:**

- The SCRCD had \$9,741,255 available under the previous agreement. Of this:
  - \$4,440,946 was allocated to existing projects in the financial plan.
  - \$459,707 was committed to various Connected Coast contributions and the construction phase of the Aquifer 560 Watershed agreement.
- This left **\$4,840,602** in uncommitted funds. Following allocations for 2024 and projected contributions for 2025, along with expected interest earnings, there is a total of **\$6,833,808** available for 2025.

The table below outlines the total available funding by area:

	A	B	D	E	F	Total
2024 Uncommitted	411,169	1,123,304	1,523,795	2,378,255	112,881	5,549,405
2024 Estimated Interest	105,000	83,900	110,000	132,800	68,900	500,600
2025 Funding	150,558	147,090	174,536	192,371	119,247	783,803
2025 Available Funding	<b>666,727</b>	<b>1,354,294</b>	<b>1,808,332</b>	<b>2,703,427</b>	<b>301,028</b>	<b>6,833,808</b>

Funding Calculation

The funding calculation inclusive of the funding floor under the renewed agreement is as follows:

**Years 1 -3, 2024/25 – 2026/27**

Local Government Type	Base Funding Amount	Per Capita Amount
Metro Vancouver	\$63,411	\$3.23 / person
Outside Metro Vancouver	\$63,411	\$45.50 / person

**Years 3-5, 2027/28 – 2028/29**

Local Government Type	Base Funding Amount	Per Capita Amount
Metro Vancouver	\$65,948	\$3.36 / person
Outside Metro Vancouver	\$65,948	\$47.36 / per person

CWF Recommendations- 2025 Budget

Staff have compiled a list of previously approved projects funded from CWF as well as projects to be presented for use of these funds during the 2025 budget deliberations:

<b>Currently Approved</b>	
Area A- Emergency Generator	125,000
Area A- McNeil Lake Dam Upgrades	68,412
Area A- Dogwood Reservoir Feasibility	108,000
Area A- North Pender Harbour Watermain Replacement	763,841
Area A- South Pender Harbour Watermain Replacement	539,116
Area A- Merrill Crescent Eletrical Replacement	30,233
Area B - Coopers Green Park - Hall & Parking Design Plans	40,389
Area B - Coopers Green Park Enhancements	400,125
Area D- Lower Road retaining wall budget increase	510,094
Area E- Woodcreek Park-WWTP Collection System Designs	9,502
Area F- Langdale WWTP Remediation Project	125,468
Area F- Eastbourne Groundwater supply expansion	753,000
Area-All- Hopkins Landing Dock Repairs	353,266
Area-All- Gliff Gilker Sports Field Irrigation System	195,000
Area All- Ports Major Capial Proejects	219,500
Area All- Katherine Lake Road Repairs	275,000
<b>Total</b>	<b>4,515,946</b>

<b>2025 Proposed (Note 1)</b>	
Church Road Water Treatment Plant - Sodium Hypochlorite Storage Unit (All Areas)	100,000
Keats Landing Dock Major Repair (Area F)	268,500
Cliff Gilker Bridges & Trail Remediation (Area D)	1,670,000
Langdale Wellfield Construction (B,D,E,F)	4,128,580

Note 1: The projects listed above depict the total cost of the project and in some instances will be presented in combination with other funding sources. Therefore, the total requested use of CWF may differ from the amounts listed.

**STRATEGIC PLAN AND RELATED POLICIES**

The use of CWF aligns with the Board’s Financial Sustainability Policies.

**CONCLUSION**

This report is to update the board on the expanded scope of eligibility for projects under the new Community Works Fund agreement as well as an update on changes from the previous agreement.

Reviewed by:			
Manager		Finance	
GM		Legislative	
CAO/CFO	X - T. Perreault	Other	