

**Canada Community-
Building Fund BC**



Canada Community-Building Fund

- Originally called the Gas Tax Fund (GTF)
- National transfer of \$2.2B to all local governments in Canada
- The CCBF provides long-term predictable funding to local governments in BC
- BC receives approximately \$300M CCBF funding annually



CCBF National Objectives

The CCBF is guided by three national objectives:

1. Productivity and Economic Growth
2. A Clean Environment
3. Strong Cities and Communities



Role of UBCM

UBCM administers the CCBF through a tri-partied Agreement with the Province of British Columbia and the Government of Canada



Program Timeline

- 2005:** Gas Tax Fund (GTF) Agreement signed in BC
- 2010:** Program extended and set at \$2B/year to 2014
- 2011:** Legislation to make GTF permanent
- 2014:** Signing of a 10-year renewed GTF Agreement
- 2019:** One time doubling of the GTF
- 2021:** One-time doubling of the GTF
- 2021:** Addition of Fire Hall Infrastructure
- 2021:** GTF renamed Canada Community-Building Fund (CCBF)
- 2024:** Current program expires

CCBF Program Statistics

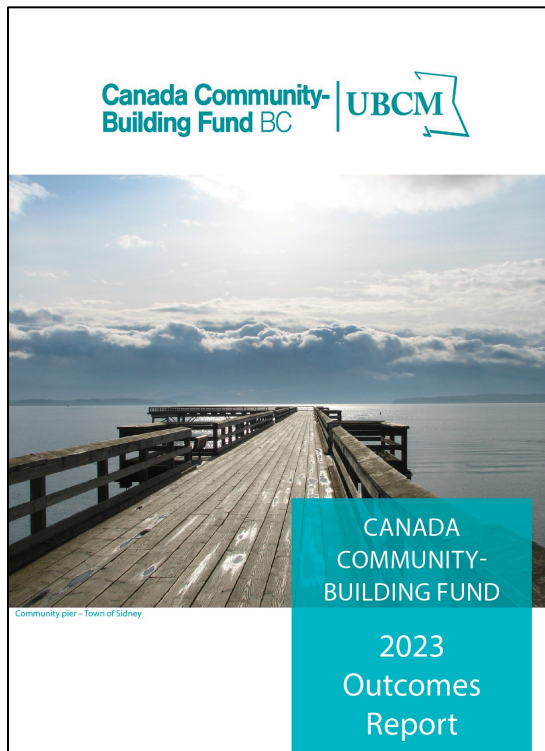
Since the programs creation in 2005, UBCM has transferred over \$4.5B to local governments in British Columbia, in turn local governments have:

- Expended over \$3.0B on more than 7,300 capital and capacity building projects
- Completed over 5,800 projects
- Invested \$621M into 1,711 local roads infrastructure projects, \$153M into 1,261 recreation and sport infrastructure projects and over \$1.9B into 271 public transit infrastructure projects

Outcomes Report Highlights

From 2017-2021, the Canada Community-Building Fund contributed over \$1.7 billion towards 4,085 distinct local infrastructure projects. Results from these investments include:

- 320 kilometers of new and improved roadways;
- 129 kilometers of drinking water, wastewater and stormwater pipe installed;
- 30 new or upgrades tourism and cultural facilities;
- 47 new or upgrades sport and recreation facilities;
- Over 15,000 new spaces for public transit users;
- 62,800 m³ of treated water improved per day;
- 117.8 million liters / day of improved wastewater treatment;
- 246 kilometers of active transportation networks (sidewalks, bike lanes and multi-use paths);
- 39,550 water meters installed.



Outcomes Report - Methodology

Project Selection Methodology

Analyzed projects reported complete between 2017 and 2021 and spending over \$100,000 of CCBF funds within reporting period.

Reporting period resulted in:

- Over 4,000 infrastructure projects reported spending;
- 2,200 infrastructure projects were reported complete;
- 842 of which meet outcomes reporting threshold.

Outcomes Report Challenges

- High number of projects not meeting reporting threshold
- Projects lacking required data– outcomes and outputs
- Lack of data in many projects –
 - Output metrics - Length of road, pipe or trail;
 - Lack of clear project start and completion date;
 - Lack of investment type;
 - Lack of location data across multiple projects.

Result: Infrastructure Canada continues to have issues communicating benefits of the CCBF Program, nationally.

Outcomes Report – Next Steps

- Continually improvement of reporting standards through 2023 to ensure project data is accurate
- 2024 and New Agreement will bring increased reporting standards, similar to what we will be requesting over the next two reporting cycles.
- For 2023, increased reporting standards will be formalized

CCBF Program Delivery

Community Works Fund



- Available to all local governments
- Per capita funding formula with a funding floor delivered twice per year
- Local governments make local choices about which eligible projects to fund

Strategic Priorities Fund



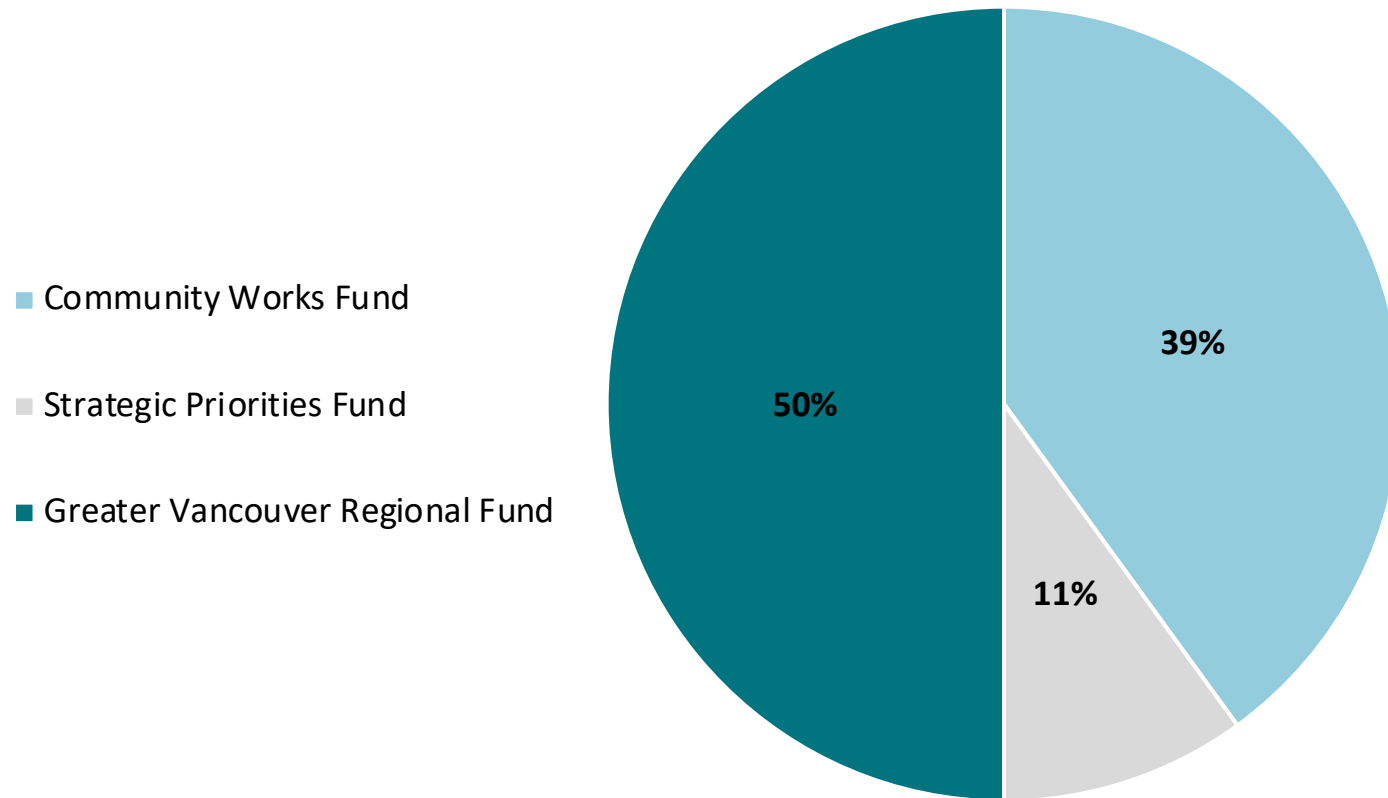
- Available to all local governments outside Metro Vancouver
- Application-based fund
- Supports capital and capacity-building projects that are large in scale, regional in impact, innovative, or innovative and align with the CCBF's national objectives

Greater Vancouver Regional Fund



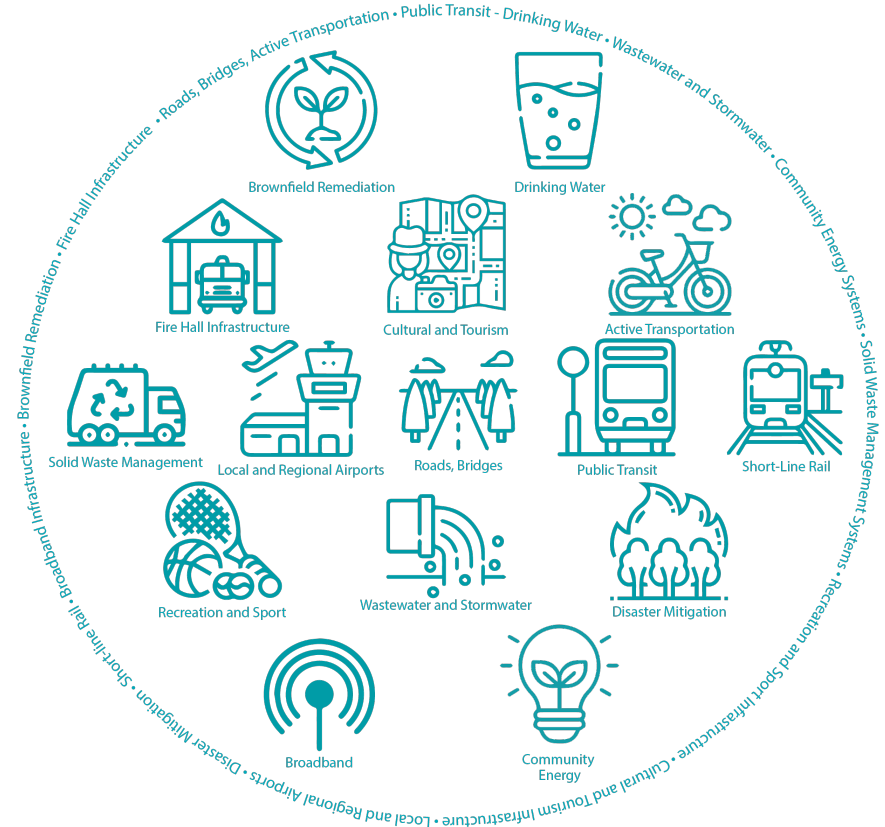
- Projects are proposed by TransLink and approved by the Metro Vancouver Regional District Board
- Provides funding for regional transportation investments within Metro Vancouver

CCBF Program Delivery



Capital Infrastructure Categories

- Recreation and Sport Infrastructure
- Wastewater and Stormwater
- Solid Waste Management
- Community Energy
- Roads and Bridges
- Active Transportation
- Public Transit
- Short-line Rail
- Drinking Water
- Disaster Mitigation
- Culture and Tourism
- Fire Hall Infrastructure
- Brownfield Remediation
- Broadband Infrastructure
- Local and Regional Airports



Capital Infrastructure Eligibility

- Eligible costs include expenditures associated with acquiring, planning, designing, constructing or renovating a tangible capital asset, as defined by Generally Accepted Accounting Principles (GAAP), and any related debt financing charges specifically identified with that asset.
- Infrastructure is defined as a municipal or regional, publicly or privately owned tangible capital asset that is primarily available for public use and provides substantial public benefit.
- Eligible costs could also include expenditures directly related to the joint communication activities and with federal signage for CCBF projects.

Capacity-Building Categories

- Asset Management
- Integrated Community Sustainability Planning
- Long Term Infrastructure Planning



Ineligible Costs

- **Ineligible Services/Infrastructure:**

1. Emergency Response Services (e.g. Police, SAR, EOCs)
2. Education/Daycare/Childcare
3. Social Housing/Social Services
4. City Halls, Public Works Buildings and other Administrative Buildings
5. Senior Care Facilities and Housing
6. Health Infrastructure (e.g. Hospitals, Convalescent Homes)

- **Ineligible Activities:**

1. Small Equipment Purchases
2. Feasibility Studies and Detailed Design (without additional capital spending)
3. Fire Equipment and Emergency Response Supplies
4. Art and Exhibit Manufacturing

- **Ineligible Costs:**

1. Leasing Costs
2. Overhead Costs, including salaries and other employment benefits
3. Direct or Indirect Operating or Administrative Costs
4. Costs Related to Planning , Engineering, Etc. Typically Carried-out by Staff
5. Purchase of Land or Any Interests Therein, and Related Costs
6. Routine Repair and Maintenance Costs
7. Legal Fees

CCBF Renewal: Work to Date

September/October 2022 – UBCM and the Province identify joint negotiation approach:

- UBCM continue to administer CCBF program
- Advocate for long-term agreement with dedicated and predictable funding model
- Provision of flexible and effective funding and programming
- Advocate for doubling of the fund
- Removal of stacking provision
- Increase and improve the indexing formula
- Continue to enhance and improve local government capacity to implement asset management best practices

CCBF Renewal: Next Steps

Federal mandate to negotiate

- Federal renewal paper (housing, reporting, communications)
- Joint provincial/UBCM response
- Joint provincial/UBCM renewal working group
- National working group
- UBCM renewal survey
- Further targeted engagements with Regional Districts and Metro Vancouver
- Drafting a renewed CCBF Agreement

CWF in Regional Districts

First Gas Tax Agreement (2005-2013)

- Limited eligible categories (water, wastewater, solid waste, roads)
- Limited to local government assets*
- Program pooled portion of CWF for Regionally Significant Projects fund

CWF in Regional Districts

First Gas Tax Agreement (2005-2013)

Successes:

- Significant large, regional projects with measurable outcomes reported through the RSP program
- Significant measurable projects reported through CWF
- Ability to stack allowed for investments in large projects

Challenges:

- Limited categories for RD owned assets
- Requests for providing funds for third parties delivering core services
- RD dividing up CWF by Electoral Area
- Unspent funds at end of program

CWF in Regional Districts

Renewed Agreement (2014-2024)

Successes:

- Expansion of categories better aligned with RD assets
- Ability to provide funds to third parties that provide core LG services (expansion of definition of Ultimate Recipient)
- Transition of funds from prior agreement
- Sunset of Regionally Significant Projects Fund

Challenges:

- Considerable funds going to third parties, not meeting national outcomes and inability to report on measurable benefits
- RD dividing up CWF by Electoral Area
- Unspent funds at end of program

CWF in Regional Districts

3rd Parties receiving considerable amount of CWF funds

- Over 60% of RD CWF projects are 3rd party;
- Many of these are high risk for the local government due to eligibility;
- Projects are not meeting national outcomes reporting threshold;
- Inability to report on measurable benefits.

CWF in Regional Districts

RD dividing up CWF by Electoral Area

- Projects are no longer regionally significant
- Projects often borderline eligible
- Administrative burden
- RD allocation includes all unincorporated populations within the RD boundary (IR's)

Unspent funds at end of program

- RD's hold \$155M of unspent funds as of January 1, 2022
- RD's represent 30% of unspent funds and 11% of CWF population
- Only 30% of these unspent funds officially committed – majority of RD's determine allocations annually

Next Steps

2024 Canada Community-Building Fund Agreement

Review and consideration of the following

Unspent funds

- Five-year spending limit
- Projects identified in advance in capital plan

Reporting outcomes

- Investments to meet spending threshold
- Prioritize local government assets
- Some exceptions for non-local government projects

Review of RSP program

Review of populations