

To: Regional and Corporate Services Committee

Date: 2024-07-11

From: Kelly Lownsborough, Director of Corporate Services & CFO

File No:

Subject: 2024 – 2034 Community Works Fund Agreement

RECOMMENDATION

THAT the Fraser Valley Regional District Board authorize its signatories to enter into the 2024-2034 Community Works Fund Agreement under the Administrative Agreement on the Canada Community-Building Fund;

AND THAT the Fraser Valley Regional District Board approve the allocation of the 2024 Electoral Area Community Works Funds based on the formula:

1. Each Electoral Area receives a Base Funding Amount (per the funding agreement) divided by eight electoral areas, and
2. The remainder of funds are allocated on a per capita basis to eight electoral areas and one Regional / Sub-Regional account, based on the 2021 census populations as certified by the Minister of Municipal Affairs and Housing.

BACKGROUND

In the last week of June 2024, the FVRD received the newly drafted 2024-2034 Community Works Fund (“**CWF**”) Agreement (**the “Agreement”**) under the Administrative Agreement on the Canada Community-Building Fund, formerly known as the Gas Tax Fund. The CWF allocates funding to all local governments in BC based on a per capita formula that includes a funding floor. Local governments may direct the funding towards eligible costs of eligible projects as set out in the CWF agreement and report annually on these projects and their outcomes.

Historically the FVRD has allocated funds to each Electoral Area based on a flat amount of \$5,000 with the remainder being allocated based on census population.

DISCUSSION

Notable changes within the Agreement include the inclusion of two schedules:

- Schedule F – Asset Management – states that an oversight committee will develop asset management commitments, and FVRD will be required to meet them once they are determined.
- Schedule G – Housing Needs Assessment – for populations over 30,000. This is not currently applicable for the FVRD based on Electoral Area population.

As part of the Agreement, a revised Program Guide has been included. The following are the notable changes:

- Eligible categories now include purchasing fire trucks as a stand-alone project;
- Resilience category was created to replace Disaster Mitigation;
- Feasibility studies and detailed design projects are now eligible;
- **Added “Non-fixed assets” under Ineligible investments (and defined “fixed equipment”)**
- Any project that receives more than \$25,000 of CWF funding must complete annual outcomes reporting, which will include the following:
 - Population directly served by project;
 - First Nation population directly served by the project;
 - Output metric; and
 - Outcome metric.

The previous Program Guide included four key questions to determine eligibility; those questions have been removed. FVRD will need to update its approach and processes to performing project eligibility analysis. Tracking of funds will continue to be of critical importance as UBCM is requiring recipients to spend CWF funding within five years of receipt unless longer timelines are identified in a long-term financial plan, which has been submitted to UBCM in advance.

The new CWF Agreement indicates that CWF allocations are determined using a formula that combines a minimum funding floor and a per capita amount for each local government in BC. Allocations vary depending on the location of a local government. The program is indexed every third year which sees an increase in base and per capita. Between 2024 – 2029 local governments in BC will receive the following allocations:

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 4-5; 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 / person

The FVRD is scheduled to receive a total of \$1,013,612 per year for Years 1-3 and \$1,054,157 per year for Years 4-5; historically, these amounts have been fully allocated to Electoral Areas.

Under the previous CWF agreement, funds were allocated to the FVRD Electoral Areas based on a funding floor amount of \$5,000, with the remainder of the funds allocated based on census population, on a proportional basis. With regards to the Annual Base Funding amount, Staff is proposing to allocate the funds in a similar manner, albeit with an update to the base funding amount to reflect the allocations within the CWF agreement. For clarity this would equate to the CWF Annual Base Funding amount of \$63,411, for years 1-3 and the CWF Annual Base Funding amount of \$65,948, for years 4-5, divided by eight Electoral Areas; as shown below.

Proposed FVRD Annual Base Funding Allocation

	Base Funding Amount \$63,411 (per year) Years 1-3; 2024/25-2026/27	Base Funding Amount \$65,948 (per year) Years 4-5; 2027/28-2028/29
Amount per Electoral Area	\$7,926.38	\$8,243.50

In relation to per capita funding for years 1-3, staff are proposing to (1) allocate \$656,008 based on population to eight Electoral Areas and (2) to allocate \$294,192 to a Regional / Sub-Regional project account to be used for Regional / Sub-Regional projects within the FVRD.

Proposed FVRD Per Capita Funding Allocation (Years 1-3)

Years 1-3			
Geographic Area	Base \$63,411 divided by 8 EAs	Per Capita Total	Total Annual Funding
<i>Electoral Areas</i>			
Electoral Area A	\$ 7,926	\$ 26,273	\$ 34,199
Electoral Area B	\$ 7,926	\$ 69,713	\$ 77,639
Electoral Area C	\$ 7,926	\$ 102,178	\$ 110,105
Electoral Area D	\$ 7,926	\$ 104,683	\$ 112,609
Electoral Area E	\$ 7,926	\$ 71,397	\$ 79,324
Electoral Area F	\$ 7,926	\$ 63,019	\$ 70,945
Electoral Area G	\$ 7,926	\$ 95,166	\$ 103,092
Electoral Area H	\$ 7,926	\$ 123,579	\$ 131,506
EA Total	\$ 63,411	\$ 656,008	\$ 719,419
Regional / Sub-Regional Total		\$ 294,192	\$ 294,192
	\$ 63,411	\$ 950,201	\$ 1,013,612

For years 4 – 5, Staff are proposing to (1) allocate \$682,243 based on population to eight Electoral Areas and (2) to allocate \$305,966 to a Regional / Sub-Regional project account to be used for Regional / Sub-Regional projects within the FVRD.

Proposed FVRD Per Capita Funding Allocation (Years 4-5)

Years 4-5			
Geographic Area	Base \$65,948 Divided by 8 EAs	Per Capita Total	Total Annual Funding
<i>Electoral Areas</i>			
Electoral Area A	\$ 8,244	\$ 27,324	\$ 35,567
Electoral Area B	\$ 8,244	\$ 72,501	\$ 80,744
Electoral Area C	\$ 8,244	\$ 106,265	\$ 114,508
Electoral Area D	\$ 8,244	\$ 108,869	\$ 117,113
Electoral Area E	\$ 8,244	\$ 74,253	\$ 82,496
Electoral Area F	\$ 8,244	\$ 65,539	\$ 73,783
Electoral Area G	\$ 8,244	\$ 98,972	\$ 107,215
Electoral Area H	\$ 8,244	\$ 128,521	\$ 136,765
EA Total	\$ 65,948	\$ 682,243	\$ 748,191
Regional / Sub-Regional Total		\$ 305,966	\$ 305,966
	\$ 65,948	\$ 988,209	\$ 1,054,157

COST

There are no costs associated with providing this information. Funds must be spent within five years of receipt.

CONCLUSION

The FVRD has received the 2024-2034 Community Works Fund Agreement under the Administrative Agreement on the Canada Community-Building Fund, formerly known as the Gas Tax Fund. Historically, the FVRD has allocated funds to each Electoral Area based on a flat amount of \$5,000, with the remainder being allocated based on census population. Staff are recommending allocating funds similar to the existing methodology, albeit with an update that aligns the funding floor as established within the Agreement and an allocation for Regional / Sub-Regional projects within FVRD. The new Agreement includes expanded eligibility parameters yet requires funds to be spent within five years of receipt. Staff recommends entering into the new Agreement with UBCM.

COMMENTS BY:

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.