

**REPORT TO ELECTORAL AREAS COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 21, 2022**

SUBJECT BC Local Government Climate Action Program – Funding Distribution

ISSUE SUMMARY

To provide an update on the internal funding distribution associated with the new BC Local Government Climate Action Program.

BACKGROUND

On May 11, 2021, the Province announced the ending of its Climate Action Revenue Incentive Program (CARIP) in the 2021-2022 fiscal year. CARIP was a provincial grant program that provided funding to local governments that signed the BC Climate Action Charter. The grant was equal to 100% of the carbon taxes that eligible local governments paid each year. The Capital Regional District (CRD) received approximately \$80,000 annually, which was used to support corporate climate action efforts. As a response, the CRD and numerous other local governments advocated for the reestablishment of the program.

On May 16, 2022, the Province announced the new Local Government Climate Action Program (LGCAP), essentially replacing CARIP, that will provide \$76 million over three years to eligible local governments and Modern Treaty Nations. Funding is intended to support local governments in achieving goals that align with the CleanBC Roadmap, BC Climate Preparedness and Adaptation Strategy and local climate action priorities. Local governments may choose how to best allocate and utilize the funds within their organization and communities. The provincial distribution of LGCAP funding is based on a methodology considering previous CARIP disbursements, base funding amounts and per capita allocations adjusted to population size. In a regional district's case, the population allocations are based on \$2 per capita.

The CRD will receive \$126,082 in 2022, 2023 and 2024. To access the funding, the CRD is required to annually measure corporate emissions, demonstrate climate investment equivalent to 20% of the provincial funding received (i.e., matching funding or in-kind contributions) and submit annual reporting.

Staff have determined that the LGCAP funds will be distributed to the CRD Climate Action Service to advance priority initiatives within the CRD Climate Action Strategy and the three electoral areas for their specific community climate action priorities.

ALTERNATIVES

Alternative 1

The Electoral Area Services Committee recommends to the CRD Board:
That the funding associated with the new BC Local Government Climate Action Program in 2022, 2023 and 2024 be distributed as follows: \$79,496 for CRD Climate Action Service; \$11,512 for Juan de Fuca Electoral Area; \$24,552 for Salt Spring Island Electoral Area; and \$10,522 for Southern Gulf Islands Electoral Area.

Alternative 2

That staff report back with additional information.

IMPLICATIONS

Environmental & Climate Implications

The LGCAP funds can be used to support corporate or community initiatives that align with provincial and local climate action goals. Funds can be used for programs, studies, capital investments (or top-ups), and staffing efforts focused on reducing emissions or climate preparedness.

Financial Implications

The CRD will receive \$126,082 in funds annually from LGCAP for three years. The internal distribution of funds is recommended to be as follows:

- CRD Climate Action Service: \$79,496
- Juan de Fuca Electoral Area: \$11,512
- Salt Spring Island Electoral Area: \$24,552
- Southern Gulf Islands Electoral Area: \$10,522

This distribution replaces previous CARIP funds for corporate climate action efforts, and uses a \$2 per capita for electoral area allocations. While funds can be held in reserve in the short term, all funds must be used by the end of 2025.

Service Delivery Implications

Funding will be earmarked for Electoral Area use within the CRD Climate Action Service budget. Administrative staff within each Electoral Area will be responsible for determining best use and will manage any external contracts associated with the funds. They will be responsible for reporting back to the CRD Climate Action Service on programs and outcomes.

CONCLUSION

The Province recently announced a new Local Government Climate Action Program that provides dedicated funds to local governments for climate action initiatives. This is a replacement to the provincial Climate Action Revenue Incentive Program that was cancelled in 2021. The CRD will be receiving approximately \$126,000 annually for three years, which will be utilized to advance climate action priorities within the CRD Climate Action Strategy and of electoral areas.

RECOMMENDATION

The Electoral Area Services Committee recommends to the Capital Regional District Board: That the funding associated with the new BC Local Government Climate Action Program in 2022, 2023 and 2024 be distributed as follows: \$79,496 for CRD Climate Action Service; \$11,512 for Juan de Fuca Electoral Area; \$24,552 for Salt Spring Island Electoral Area; and \$10,522 for Southern Gulf Islands Electoral Area.

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