

**REPORT TO CAPITAL REGIONAL DISTRICT BOARD
MEETING OF WEDNESDAY, APRIL 12, 2023**

SUBJECT Growing Communities Fund

ISSUE SUMMARY

This report summarizes the Growing Communities Fund (GCF) and provides recommendations on the allocation of the GCF grant received by the Capital Regional District (CRD).

BACKGROUND

On February 10, 2023, the province announced the \$1 billion GCF, a one-time direct transfer grant to all Regional Districts and Municipalities. Eighty-five percent of the \$1 billion fund was allocated to Municipalities and the remaining fifteen percent was allocated to Regional Districts. Appendix A includes two letters received from the Ministry of Municipal Affairs detailing the GCF program, funding allocation, eligible expenses and reporting requirements. As documented in the program description, the purpose of the GCF is for *local governments to prioritize infrastructure projects and amenities that will enable service expansion and accommodate community growth.*

This staff report details CRD's funding allocation and lists GCF grants received by local governments across the province (Appendix B). The CRD's conditional funding of \$11.56 million was received on March 23, 2023.

Eligible Expenses

Eligible expenses are detailed in Appendix C. In summary, they include capital costs for infrastructure to assist with growth and development of communities. Eligible projects may include recreational facilities, water treatment plants, parks, affordable housing and others. The funding is not intended to support ongoing or operational activities but to support incremental expenses for current planned capital projects, early-design and development works.

Program Requirements

All GCF funding must be allocated to regional district services by December 31, 2023 and fully expended within five years of receipt. The funds cannot be applied to projects completed prior to March 31, 2023. The program does not allow GCF funding to be used as an applicant contribution for approved external grant projects where cost-sharing is required.

As a condition of the funding, the CRD will be required to report annually on fund status until fully expended through a schedule within the annual audited financial statements. In addition to annual reporting, the CRD is required to recognize projects in collaboration with the province including temporary and permanent signage. The program encourages highlighting projects that align with provincial priorities.

Provincial Funding Allocation Formulae for Local Governments

The Ministry of Municipal Affairs calculated the grant to each local government using data sourced from BC Population estimates (as of January 27, 2023).

Different granting formulas were used for Municipalities and Regional Districts. The grant formula for Municipalities is centered on an adjusted population method with three variables where Regional Districts were based on four variables, as summarized below:

Regional Districts	Municipalities
<ul style="list-style-type: none"> Flat funding amount of \$500,000. 	<ul style="list-style-type: none"> Flat funding amount of \$500,000.
<ul style="list-style-type: none"> Total population amount of \$17 per capita rate for the entire CRD population. 	<ul style="list-style-type: none"> Sliding adjusted population amount of \$365 per capita rate.
<ul style="list-style-type: none"> Rural population amount of \$30 per capita rate for CRD's rural population. 	
<ul style="list-style-type: none"> Rural population growth amount of \$1,000 per capita rate for population growth in rural areas between 2016 and 2021. 	<ul style="list-style-type: none"> Population growth amount of \$1,000 per capita rate for total population growth between 2016 and 2021.

Table 1 summarizes the CRD's grant funding allocation using the variables summarized above.

Table 1: CRD Grant Funding Calculation per Provincial Formulae

Basis of Formula	Population (2021) ¹	Per Capita Rate	Funding Formula	2016-2021 UA Pop. Increase*1000	Grant
Flat Rate					500,000
Regional District ²	432,062	17	7,345,270		7,345,270
Unincorporated Areas ³	29,191	30	875,730	2,838,000	3,713,730
Total					11,559,000

¹ At the publishing deadline for this report, 2021 source population data has not been verified with the available BC Population estimates.

² Regional District population includes both regional and rural populations.

³ Unincorporated areas include JDF, SSI, SGI and First Nations Reserves.

ALTERNATIVES

Alternative 1

1. That staff plan to use the total \$11.56 million CRD GCF in alignment with the Provincial program guidelines to address regional infrastructure priorities.
2. That staff bring back recommendations on prioritized regional infrastructure projects in alignment with program eligibility.

Alternative 2

That the GCF report be referred back to staff with specific amendments.

IMPLICATIONS

Financial Implications

The GCF grant is conditional based on recipients adhering to program requirements including reporting, eligible expenses and time constraints. The ministry may reclaim funds that do not align with the terms and conditions of the GCF program.

As noted in the Frequently Asked Questions (Appendix D) under Allocation of Funds, the GCF grant is *not to be reallocated to Electoral Areas*, rather, *is intended to assist the board in addressing regional priorities for actual infrastructure and other eligible costs*.

The Board is required to approve a financial plan amendment before the end of 2023 where GCF monies will be allocated to regional services and eligible projects.

Service Delivery Implications

The assessment and prioritization of project funding requests is historically administered by external grantor program staff. By transferring funds directly to the CRD, program administration including evaluation of project applications becomes the responsibility of CRD staff, impacting resource allocation and capacity.

Immediately, staff will need to develop and design an internal intake process with guidelines, assessment and prioritization tools to support decision making for GCF grant allocation to services and projects. As 2023 service plans have been developed and approved this would impact workplans in grant administration and other divisions.

CONCLUSION

The GCF will provide funding to local governments to accommodate growth and service expansion. Grants were provided to the CRD using the Regional District formula developed by the Province. As a recipient, the CRD is required to meet program requirements including reporting, communication protocols and allocate the funds to services by December 31, 2023, fully spending the GCF within five years.

RECOMMENDATION

1. That staff plan to use the total \$11.56 million CRD GCF in alignment with the Provincial program guidelines to address regional infrastructure priorities.
2. That staff bring back recommendations on prioritized regional infrastructure projects in alignment with program eligibility.

Submitted by:	Lia Xu, MSc., CPA, CGA, Finance Manager, Local Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENTS

- Appendix A: Ministry of Municipal Affairs – Growing Communities Fund 2023 Letters
- Appendix B: Allocation Summary of Growing Communities Fund Grants to Local Governments
- Appendix C: Summary of Eligibility Criteria
- Appendix D: Frequently Asked Questions – Regional Districts



March 16, 2023

Ref: 271994

Colin Plant, Chair
Capital Regional District
PO Box 1000
Victoria BC V8W 2S6

Dear Chair Plant:

The population of B.C. has increased consistently over the past decade and is projected to keep growing in the next 10 years. The provincial government understands the need to facilitate greater housing supply for our growing population. The province will support local governments in addressing the multiple funding and financing constraints to aid in the construction of infrastructure and amenities for all B.C. communities. Local governments' investment in core community infrastructure and amenities increases the amount of land that is ready to be developed to a higher density.

The Government of B.C. has invested considerable resources in infrastructure and amenities in the past 10 years and has strategically leveraged federal funding to that effect. More than \$1.6 billion in federal and provincial funding have been invested in our communities since 2018 through the Investing in Canada Infrastructure Program. However, as there is still more to be done for infrastructure and amenities, the provincial government is pleased to provide the Growing Communities Fund (GCF) for local governments province-wide.

As a one-time grant, the GCF will provide up to \$1 billion through direct grants to local governments to support all B.C. communities, with a focus on those communities that need to increase the pace and scale of housing supply. The principal objective of the GCF is to increase the local housing supply with investments in community infrastructure and amenities. Regional Districts are encouraged to work closely with adjacent local First Nations, in recognition of the *Declaration on the Rights of Indigenous Peoples Act*, as this collaboration strengthens our communities and regions.

The funding provided through the GCF should be limited to one-off costs needed to build required infrastructure and amenities rather than funding ongoing or operational activities. These funds are to be incremental to currently planned investments and should accelerate the delivery of capital projects.

Eligible costs are as follows:

- Public drinking water supply, treatment facilities and water distribution;
- Local portion of affordable/attainable housing developments;

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- Childcare facilities;
- Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities;
- Wastewater conveyance and treatment facilities;
- Stormwater management;
- Solid waste management infrastructure;
- Public safety/emergency management equipment and facilities not funded by senior level government;
- Local road improvements and upgrades;
- Sidewalks, curbing and lighting;
- Active transportation amenities not funded by existing provincial programs;
- Improvements that facilitate transit service;
- Natural hazard mitigation;
- Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and
- Recreation-related amenities.

Further to the above note capital costs, one-off costs can include:

- Costs of feasibility studies (including infrastructure capacity assessment); other early-stage development work; costs of designing, tendering and acquiring land (where it is wholly required for eligible infrastructure projects); constructing eligible infrastructure projects; and, in limited situations, non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities.

I am pleased to advise you that Capital Regional District is the recipient of a \$11,559,000 grant under the Growing Communities Fund. This amount will be directly transferred to your local government by March 31, 2023.

Under part 7 of the Local Government Grants Regulations, the amount of the grant to each local government is set by the Minister of Municipal Affairs. The determination of this amount was based on a formula that applies to all regional districts.

This formula is based on four components: a flat funding amount, a “total population” amount, a “rural population” amount and a “rural population growth” amount. The flat amount is \$500,000. The “total population” amount is \$17 per capita in the entire regional district. The “rural population” amount is \$30 per capita in the rural areas of the regional district.

This approach recognizes that servicing rural residents (unincorporated areas) is generally more expensive on a per capita basis than residents from urban (incorporated areas) due to economies of scale. The “rural population growth” amount is \$1,000 per capita population growth in the rural areas between 2016 and 2021.

As a condition of this funding, the grant must be allocated to an appropriate regional district service by the end of this calendar year. To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spends this grant. This will be part of the annual financial reporting required under section 377 (1)(a) of the *Local Government Act*. Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.

Further to the financial reporting, an annual report that identifies work-related Housing Needs Reports and pre-zoning requirements, as applicable, is required. The province also encourages highlighting projects that align with provincial priorities such as CleanBC and childcare; as well as those that align with the province’s Environmental, Social and Governance framework for capital projects.

Finally, requirements will include parameters for public recognition of the funding related to projects. The province must be consulted prior to any proactive media events or news releases related to the project. Funded projects must also acknowledge the province’s contribution through temporary and permanent on-site signage. The provincial government anticipates that the funds will be expended within approximately five years of receipt.

If you have any questions or comments regarding this letter, please feel free to contact the Local Government Infrastructure and Finance Branch by email at: LGF@gov.bc.ca. Further information on the program will be available on the following webpage: <https://www2.gov.bc.ca/gov/content/governments/local-governments/grants-transfers/grants/bc-s-growing-communities-fund>.

The province welcomes this opportunity to support the growth of the supply of housing throughout British Columbia. We believe that that this funding will contribute to the capacity of B.C. local governments to provide critical services as our province and economy grows.

Sincerely,



Anne Kang
Minister

pc: Ted Robbins, Chief Administrative Officer, Capital Regional District
Nelson Chan, Chief Financial Officer, Capital Regional District

Attachment with Example Calculation for a Regional District with 65,000 People, 30,000 in Rural Areas

If the Regional District rural population (unincorporated areas) grew by 2,000 people between 2016-2021, the total grant amount is calculated as follows:

Component	Calculation	Result
Flat Funding	500,000	\$500,000
Total Population	= 65,000 x 17	\$1,105,000
Rural Population	= 30,000 x 30	\$900,000
Rural Population Growth	= 2,000 x 1,000	\$2,000,000
Total Grant		\$4,505,000



February 10, 2023

Ref: 272022

Dear Mayors and Regional Chairs:

I am pleased to let you know of the significant investment our government has made to support all our municipalities and regional districts around the province. This is in direct response to my mandate letter to support growing municipalities and regional districts with funding for infrastructure and community amenities.

Today Premier David Eby and I announced the [B.C. building stronger communities with \\$1-billion Growing Communities Fund | BC Gov News](#). The fund will provide a one-time total of \$1 billion in direct grants to all 188 of B.C.'s municipalities and regional districts. Your local government can use it to address your community's unique infrastructure and amenities demands, such as recreation facilities, parks and water treatment plants, as well as other community infrastructure. It will help communities prepare for future growth and build the amenities needed to support new home construction, especially with the *Housing Supply Act* where targets are set.

These grants will complement existing infrastructure funding programs for projects such as sewer, water and recreation facilities. The province will distribute them to B.C.'s 188 municipalities and regional districts by the end of March 2023. The Growing Communities Fund arises from the surplus shown in the Second Quarter Financial Report. The province is putting this year's surplus to work for people to support them now and for the long term.

The province has heard from local governments about the need for infrastructure and amenities to support their growth. Infrastructure funding programs are routinely significantly oversubscribed. For example, there were six times more requests for funding through the "Investing in Canada Infrastructure Program Community Culture and Recreation" stream than what was available. This one-time fund also supports priorities identified by the Union of British Columbia Municipalities (UBCM).

The Ministry will issue a direction letter to each local government in March 2023 including further details on this one-time direct grant. This will include information on the formula used to allocate the funds, the amount your local government will be receiving and the province's expectations for the use and reporting of the funds.

As this is a direct grant from the province to each municipality and regional district in B.C., your local government will not have to apply for the funds. Your council or board will be required to make decisions on the use of the funds in compliance with this second letter coming in March 2023. Projects that support neighboring First Nations communities are strongly encouraged.

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I trust you will join me in acknowledging the importance and value that this fund will have to focus on building a secure, low emission, sustainable economy and a province where everyone can find a good home – whether you live in a rural area, a city, or in an Indigenous community. Together we can make life better for people in B.C., improve the services we all rely on, and ensure a sustainable province for future generations.

I look forward to connecting with you again soon in person or virtually as I continue to tour and meet with local elected officials. In the interim, any questions can be directed to myself at:

Minister.MUNI@gov.bc.ca. Staff are available at: LGIF.Infra@gov.bc.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Anne Kang', written in a cursive style.

Anne Kang
Minister
Ministry of Municipal Affairs

pc: The Honourable David Eby, Premier
 The Honourable Katrine Conroy, Minister of Finance
 Chief Administrative Officers
 Okenge Yuma Morisho, Deputy Minister, Municipal Affairs
 Jen Ford, President UBCM
 Gary Maclsaac, Executive Director, UBCM



Growing Communities Fund grants to local government

The Growing Communities Fund helps local governments prioritize local infrastructure and amenities projects, including supporting affordable housing, upgrading water management facilities and building recreation centres. Local governments are responsible for determining how the grants will be allocated based on the unique needs of their communities.

Municipalities	Grant (\$)
Abbotsford	27,420,000
Alert Bay	658,000
Anmore	1,730,000
Armstrong	2,450,000
Ashcroft	1,076,000
Barriere	1,316,000
Belcarra	759,000
Bowen Island	2,287,000
Burnaby	28,784,000
Burns Lake	1,208,000
Cache Creek	958,000
Campbell River	8,587,000
Canal Flats	817,000
Castlegar	3,094,000
Central Saanich	5,501,000
Chase	1,547,000
Chetwynd	1,464,000
Chilliwack	16,392,000
Clearwater	1,521,000
Clinton	718,000
Coldstream	4,148,000
Colwood	6,642,000
Comox	4,693,000
Coquitlam	18,635,000
Courtenay	7,655,000
Cranbrook	5,571,000
Creston	2,350,000
Cumberland	2,777,000
Daajing Giids	863,000
Dawson Creek	3,942,000
Delta	16,060,000
Duncan	2,135,000
Elkford	1,581,000
Enderby	1,707,000
Esquimalt	4,710,000
Fernie	2,626,000
Fort St. James	1,476,000

Municipalities	Grant (\$)
Fort St. John	5,724,000
Fraser Lake	850,000
Fruitvale	1,278,000
Gibsons	2,314,000
Gold River	969,000
Golden	2,159,000
Grand Forks	1,981,000
Granisle	616,000
Greenwood	767,000
Harrison Hot Springs	1,256,000
Hazelton	634,000
Highlands	1,661,000
Hope	2,874,000
Houston	1,759,000
Hudson's Hope	905,000
Invermere	2,032,000
Kamloops	15,692,000
Kaslo	919,000
Kelowna	26,228,000
Kent	2,742,000
Keremeos	1,446,000
Kimberley	3,414,000
Kitimat	2,968,000
Ladysmith	3,406,000
Lake Country	6,778,000
Lake Cowichan	1,936,000
Langford	16,464,000
Langley, City	7,186,000
Langley, District	24,306,000
Lantzville	1,910,000
Lillooet	1,282,000
Lions Bay	988,000
Logan Lake	1,538,000
Lumby	1,378,000
Lytton	619,000
Mackenzie	1,723,000
Maple Ridge	16,586,000
Masset	764,000
McBride	780,000
Merritt	2,891,000
Metchosin	2,438,000
Midway	763,000
Mission	8,839,000

Municipalities	Grant (\$)
Montrose	903,000
Nakusp	1,161,000
Nanaimo	16,088,000
Nelson	4,151,000
New Denver	704,000
New Hazelton	748,000
New Westminster	15,850,000
North Cowichan	7,686,000
North Saanich	4,459,000
North Vancouver, City	10,986,000
North Vancouver, District	10,254,000
Northern Rockies - REGM	1,920,000
Oak Bay	4,773,000
Oliver	2,769,000
One Hundred Mile House	1,265,000
Osoyoos	2,556,000
Parksville	4,789,000
Peachland	2,766,000
Pemberton	2,002,000
Penticton	7,177,000
Pitt Meadows	5,370,000
Port Alberni	5,269,000
Port Alice	783,000
Port Clements	600,000
Port Coquitlam	9,462,000
Port Edward	669,000
Port Hardy	1,971,000
Port McNeill	1,370,000
Port Moody	6,734,000
Pouce Coupe	819,000
Powell River	4,218,000
Prince George	12,498,000
Prince Rupert	4,068,000
Princeton	1,936,000
Qualicum Beach	3,346,000
Quesnel	3,217,000
Radium Hot Springs	900,000
Revelstoke	3,331,000
Richmond	20,354,000
Rossland	2,154,000

Municipalities	Grant (\$)
Saanich	14,634,000
Salmo	1,130,000
Salmon Arm	6,089,000
Sayward	622,000
Sechelt	3,759,000
Sechelt Indian Government	783,000
Sicamous	1,731,000
Sidney	3,820,000
Silverton	585,000
Slocan	624,000
Smithers	2,320,000
Sooke	5,939,000
Spallumcheen	2,398,000
Sparwood	2,025,000
Squamish	6,285,000
Stewart	673,000
Summerland	4,533,000
Sun Peaks	1,151,000
Surrey	89,928,000
Tahsis	650,000
Taylor	1,095,000
Telkwa	1,159,000
Terrace	4,633,000
Tofino	1,946,000
Trail	2,979,000
Tumbler Ridge	1,530,000
Ucluelet	1,489,000
Valemount	954,000
Vancouver	49,119,000
Vanderhoof	2,083,000
Vernon	9,575,000
Victoria	12,852,000
View Royal	4,665,000
Warfield	1,193,000
Wells	588,000
West Kelowna	10,212,000
West Vancouver	8,000,000
Whistler	4,962,000
White Rock	5,711,000
Williams Lake	3,728,000
Zeballos	553,000

Regional Districts	Grant (\$)
Alberni-Clayoquot	1,833,000
Bulkley-Nechako	1,764,000
Capital	11,559,000
Cariboo	3,947,000
Central Coast	830,000
Central Kootenay	4,025,000
Central Okanagan	6,950,000
Columbia Shuswap	3,796,000
Comox Valley	4,497,000
Cowichan Valley	5,649,000
East Kootenay	3,667,000
Fraser Valley	8,801,000
Fraser-Fort George	3,531,000
Kitimat-Stikine	2,064,000
Kootenay Boundary	1,774,000
Metro Vancouver	50,780,000
Mount Waddington	1,029,000
Nanaimo	7,929,000
North Coast	1,162,000
North Okanagan	3,953,000
Okanagan-Similkameen	4,483,000
Peace River	2,383,000
Qathet	1,367,000
Squamish-Lillooet	1,525,000
Strathcona	2,638,000
Sunshine Coast	2,221,000
Thompson-Nicola	5,441,000

(Appendix C Summary of Eligibility Criteria¹)

Infrastructure Capital Costs	Design/Study/Land Costs	Non-Capital Costs
<p><u>Eligible Capital Costs:</u></p> <ul style="list-style-type: none"> • Funding to support regional district capital projects, including funding for multiyear projects already in progress that address infrastructure needs in the community to support future growth. Projects cannot be completed prior to March 31, 2023. • Funding for regional district capital projects that service, directly or indirectly, neighbouring First Nation communities. • Costs for constructing eligible infrastructure. 	<ul style="list-style-type: none"> • Feasibility studies (including infrastructure capacity assessment). • Other early-stage development work. 	<p>Non-capital administrative costs are eligible in limited situations but could include:</p> <ul style="list-style-type: none"> • Adding staff capacity related to development.
<p><u>Affordable Housing</u></p> <ul style="list-style-type: none"> • Local portion of affordable/attainable housing developments. • Amenities needed to support new home construction. • Development finance portions of infrastructure costs that support affordable/attainable housing. These may include DCCs or subdivision servicing charges payable or similar costs. 	<ul style="list-style-type: none"> • Costs of designing, tendering, and acquiring land (where wholly required for infrastructure projects). 	<ul style="list-style-type: none"> • Establishment of complementary financing for local government owned infrastructure or amenities.
<p><u>Parks and Recreation</u></p> <ul style="list-style-type: none"> • Park additions, maintenance, and upgrades including washrooms, meeting space and other amenities. • Recreation-related amenities. • Childcare facilities. 		<p>Non-capital ongoing and operational costs are ineligible.</p>
<p><u>Transportation</u></p> <ul style="list-style-type: none"> • Local road improvements and upgrades. • Sidewalks, curbing and lighting. • Active transportation amenities NOT funded by senior level government. • Improvements that facilitate transit service. 		
<p><u>Water and Waste</u></p> <ul style="list-style-type: none"> • Public drinking water supply, treatment facilities and water distribution. • Wastewater conveyance and treatment facilities. • Storm water management. • Solid waste management. 		
<p><u>Other</u></p> <ul style="list-style-type: none"> • Expenditures on natural assets provided the natural asset is part of providing one of the eligible services. • Natural hazard mitigation. • Public safety/emergency management equipment and facilities NOT funded by senior level government. 		

¹This is a summary of eligibility from the Growing Communities Fund Ministry letters and Frequently Asked Questions. Projects will be subject to an assessment process, including further confirmation from the province as needed for eligibility.



GROWING COMMUNITY FUND (GCF) Frequently Asked Questions (FAQ's) - Regional Districts	
Program Description	
Question	Answer
What is the purpose of the Growing Community Fund for local governments?	The GCF will provide a one-time grant to all 188 of B.C.'s municipalities and regional districts, which they can use to address their community's unique infrastructure and amenity demands.
What is the formula-based model used to allocate funding?	For all regional districts, allocations are the sum of: <ul style="list-style-type: none"> • A flat funding amount of \$500,000; • A funding amount based on the regional districts <u>overall</u> population; • A funding amount based on the regional district's <u>rural</u> population; and • A funding amount based on the growth of the regional district's <u>rural</u> population between 2016-2021. See more detail in the Appendix.
Why is there additional funding for residents in rural (unincorporated) areas?	The additional funding recognizes that rural regions face a particular challenge in the form of relatively high costs of service delivery due to a number of factors: <ul style="list-style-type: none"> • Lower density population • Larger distances that have to be travel by service users and providers • Small number of people in any location that preclude economies of scale.
Why is growth of residents in the unincorporated areas used as one of the measures?	The growth within municipalities is already captured within the municipal grant allocations. The growth of the population in rural (unincorporated areas) is required to capture all areas of population growth within the province.
What is the source of the population data?	The source of the population data is from the BC population estimates (as of January 27, 2023). BC Stats population estimates are based on the Census, they also incorporate other information including provincial health records and tax records from CRA, and accordingly they have historically, on average, been higher than the Census baseline. Be cause of these reasons the



	federal and provincial governments have viewed population estimates as the more accurate of the two (e.g., population estimates are used to determine provincial health transfers from the federal government).
Use of Funds	
Question	Answer
What are the eligible use of funds?	<p>Eligible infrastructure projects are as follows:</p> <ul style="list-style-type: none"> • Public drinking water supply, treatment facilities and water distribution; • Development finance portions of infrastructure costs that support affordable/attainable housing. These may include DCCs or subdivision servicing charges payable or similar costs. • Childcare facilities; • Municipal or regional capital projects that service, directly or indirectly, neighbouring First Nation communities, • Wastewater conveyance and treatment facilities; • Storm water management; • Solid waste management infrastructure; • Public safety/emergency management equipment and facilities not funded by senior level government; • Local road improvements and upgrades; • Sidewalks, curbing and lighting; • Active transportation amenities not funded by senior level government; • Improvements that facilitate transit service • Natural hazard mitigation; • Park additions/maintenance/upgrades including washrooms/meeting space and other amenities; and • Recreation related amenities.
Can the funds only be used for costs other than capital?	Yes. Other eligible one-off costs include: costs of feasibility studies (including infrastructure capacity assessment); other early-stage development work; costs of designing, tendering, and acquiring land (where it is wholly required



	for eligible infrastructure projects); constructing eligible infrastructure projects; and in limited situations, non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities
Are expenditures on natural assets eligible?	Yes, provided the natural asset is providing, or part of providing, one of the services described in the eligible categories above.
Will receipt of the GCF affect our eligibility for other infrastructure grant programs?	No. The GCF will not affect decisions on eligibility for infrastructure grant funding. For local governments with approved projects the GCF funding cannot be used as their match as an incremental spend is required. The GCF could be used to offset cost overruns that exceed the grant amount and the local share
Can local governments provide contributions to third parties from GCF?	No, with the exceptions of: <ul style="list-style-type: none"> • municipal contributions to housing projects and infrastructure owned by a regional district when the municipality is a participant in that service. • First Nations infrastructure when it is a shared service or there is a service relationship.
Can we claim staff time on projects?	Permitted in limited situations. Specifically for non-capital administrative costs where these are necessary, for example adding staff capacity related to development or to establish complementary financing for local government owned infrastructure or amenities
Can a local government use GCF funding for multi-year project that has already started?	Yes. The GCF can be used for any capital project that has not yet been completed. Projects completed prior to March 1st, 2023 are not eligible for GCF funding. GCF is designed to enable an incremental additional expenditures for local governments and not to replace existing capital commitments.
Can GCF be used for related planning projects?	Yes. Feasibility studies (including infrastructure capacity assessment); other early-stage development work are eligible costs.



What happens if funds are ineligibly allocated, if reporting requirements are not met or if funds remain unspent after five years?	The ministry may reclaim any grant funds that are not used for the intended purposes or meet the accountability requirements of the Growing Community Fund. However, the ministry will work with the local government to determine methods of expending it within eligible categories.
Can the funds be invested while being held in reserve?	The funds may be invested in any of the instruments permissible for local governments under section 183 of the <i>Community Charter</i> .
Allocation of Funds	
Question	Answer
Can the GCF funding be allocated to electoral areas based on the Provincial formula used to determine the grant amounts for each Regional District?	No. The grant calculation for each Regional District took into consideration a base amount and several other key variables. The GCF was intended to assist the board in addressing regional priorities for actual infrastructure and other eligible costs. It is not meant to be reallocated back to electoral areas based on the Ministry allocation formula
Will the Province specify to Regional Boards how to allocate the GCF funding?	No. It is the Regional Boards responsibility to determine the regional priorities and ensure that all the GCF funding is allocated to eligible regional services prior to the end of the 2023 calendar year. However, if requested, the ministry staff can assist regional staff on possible methods of allocation. That said, the final decision will rest with the Board.
How will these grants impact DCCs and other development finance charges?	The intent of the Growing Community Fund grant is to support the delivery of projects that are incremental to currently planned infrastructure. As such, the projects may not be part of the current DCC program. However, if the DCC program contains a project to which GCF funds will be allocated, the DCC bylaw must be amended so that the charges take the grant into account. Similar treatment should be used to adjust other development finance charges.



Timing	
Question	Answer
When will the grants be disbursed?	This GCF will be directly transferred to local governments by March 31, 2023.
What is the timeline over which these grant funds must be expended?	The Provincial Government requests that the funds be expended within five years of receipt.
Reporting	
Question	Answer
What are the reporting requirements?	<p>The RD must provide an initial separate report (schedule) outlining how the funds were allocated to eligible costs for various services. This report would be a schedule to the 2023 annual audited financial statements. (as required under S.377(1)(a) of the <i>Local Government Act</i>). Further to the financial reporting, an annual report that identifies work related to Housing Needs Reports and pre-zoning requirements as applicable, is required.</p> <p>The province also encourages highlighting projects that align with provincial priorities such as CleanBC and childcare; as well as those that align with the province’s Environmental, Social and Governance framework for capital projects.</p> <p>Templates for reporting will be posted on line at a later date</p>
Are Regional Districts required to annually report on GCF?	Yes. To ensure full transparency regarding the use of funds, your local government will be required to annually report on how it spends this grant. This will be part of the annual financial reporting required under section 377 (1)(a) of the <i>Local Government Act</i> . Your local government will provide a schedule to the audited financial statements respecting the amount of funding received, the use of those funds, and the year-end balance of unused funds. Your local government must continue to annually report on the use of grant money until the funds are fully drawn down.



Will the schedule to the annual audited financial statements be left to the discretion of the Regional District? Does the Ministry have authority to request additional information?	Yes, and yes. The form of the schedule to the annual audited financial statements will be left to the discretion of the Regional District. The Ministry retains the right to request additional information from Regional Districts as required.
Is a separate auditors' report required for this schedule?	No. The Province does not require a separate auditor's report.
Am I required to acknowledge the provincial financial contribution towards funded projects?	Yes. Fund requirements will include parameters for public recognition of the funding related to capital projects.
Reserve Funds	
Questions	Answers
Do Regional Districts need to segregate GCF funding from other funding sources?	No. GCF funds need only be transferred to existing (or new) capital reserve funds that have been established for each of the services that will be allocated GCF funding.
Does interest earned on the GCF need to be tracked and added to the GCF amounts once the funds are allocated to reserve?	Yes. Interest earned in the GCF fund must be tracked and allocated back to the fund and may only be used for eligible purposes related to the GCF program. This is in accordance with S. 189(1) of the <i>Community Charter</i> .

Appendix: Detailed Calculation of Grants

Example Calculation for a Regional District with 65,000 People, 30,000 in Rural Areas

If the Regional District rural population (unincorporated areas) grew by 2,000 people between 2016-2021, the total grant amount is calculated as follows:

Component	Calculation	Result
Flat Funding	500,000	\$500,000
Total Population	= 65,000 x 17	\$1,105,000
Rural Population	= 30,000 x 30	\$900,000
Rural Population Growth	= 2,000 x 1,000	\$2,000,000



Total Grant		\$4,505,000
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