

**REPORT TO GOVERNANCE AND FINANCE COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 02, 2020**

SUBJECT **COVID-19 Safe Restart Grants for Local Governments**

ISSUE SUMMARY

To provide recommendations on the allocation of the grant received by the Capital Regional District (CRD) from the COVID-19 Safe Restart Grants for Local Governments.

BACKGROUND

In September 2020, the Province announced joint Provincial and Federal funding to support local government operations as part of BC's Economic Recovery Plan. This plan identified a number of initiatives to help support communities and local governments in responding to COVID-19, including \$540 million summarized below.

The Safe Restart Funding for Local Governments includes:

1. Development Services: \$15 million
 - i. for work identified through Development Approvals Process Review
 - ii. application based
 - iii. details expected to be released before year end
2. Strengthening Communities: \$100 million
 - i. addressing the needs of vulnerable populations
 - ii. application based
 - iii. details expected to be released before year end
3. COVID-19 Safe Restart Grants for Local Governments: \$425 million
 - i. for local government operations impacted by COVID-19

This staff report details the CRD's portion of the \$425 million COVID-19 Safe Restart Grants for Local Governments, which totals \$1.4 million. The allocation letter from the Ministry of Municipal Affairs and Housing is provided in Appendix A, which further outlines the Province's formula, eligible expenses, and reporting requirements. The funding is unconditional and was received on November 19, 2020. Appendix B details grant allocations for other Regional Districts (RD) and Municipalities across the Province.

Eligible Expenses

The Province provided the following eligible expense categories for the COVID-19 Safe Restart Grant:

1. Addressing revenue shortfalls;
2. Facility reopening and operating costs;
3. Emergency planning and response costs;
4. Bylaw enforcement and protective services like fire protection and police;
5. Computer and other electronic technology costs (to improve interconnectivity and virtual communications);

6. Services for vulnerable persons (i.e., persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
7. Other related costs.

Program Stipulations

The funding must be fully allocated (not expensed) to services by December 31, 2021. Funding can be used for expenses in 2020 and beyond; there is no deadline by which the funds must be spent. The CRD is required to track and report use of funds. The Province has provided two reporting requirements:

1. Include how the funds were allocated as part of the audited financial statements.
2. Complete an annual report (as a schedule of the audited financial statements), to include funding received, how the funds were used, and balance of any unspent funds. The CRD will continue to provide annual reporting until funds are fully expended.

Province Funding Allocation Formulae for Regional Districts

The Ministry of Municipal Affairs and Housing sets the amount of the grant to each local government using various formulae. The grant for Regional Districts is based on three components: a flat rate of \$300,000, plus two per capita formulae; \$3.10 per capita for total RD population (with a cap of \$900,000) and \$8.13 per capita for total Unincorporated Areas (UA) within the RD. Table 1 summarizes the CRD calculations.

Table 1 – CRD Grant Funding Calculation per Provincial Formulae

Basis of Formula	Population	\$ Per Capita	Funding Formula	Funding Ceiling	Grant
Flat Rate					\$300,000
RD Population	412,220	\$3.10 ²	\$1,277,000	\$900,000	\$900,000
UA Population	27,211 ¹	\$8.13	\$221,000		\$221,000
Total Funding					\$1,421,000

¹ UA population includes JDF, SSI, SGI, and First Nation Reserves.

² Funding ceiling results in an effective per capita rate of \$2.18 for the RD population.

Population was derived through BC Stats and Statistics Canada data from 2018. Appendix C details population for each municipality and unincorporated area within the CRD from the same source data. Following the Provincial formulae, Table 2 summarizes the per capita funding to each unincorporated area.

Table 2 – Unincorporated Area (UA) Grant Funding per Provincial Formula

\$8.13 Per Capita	%	Population	Grant
Juan de Fuca (JDF)	19.5%	5,309	\$43,000
Salt Spring Island (SSI)	41.8%	11,374	\$92,000
Southern Gulf Islands (SGI)	17.9%	4,865	\$40,000
First Nation Reserves	20.8%	5,663	\$46,000
Total UA Funding	100.0%	27,211	\$221,000

Refer to Appendix D for the summary of the grant funding distribution to both Regional Services and Local Area Services.

ALTERNATIVES

Alternative 1

The Governance and Finance Committee recommends to the Capital Regional District Board:

1. That staff allocate the \$1.4 million CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix D;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage EA Directors to determine allocation to specific services.

Alternative 2

The COVID-19 Safe Restart Grants for Local Governments report be referred back to staff with specific amendments.

IMPLICATIONS

Financial Implications – Alternative 1

On March 18, 2020, Emergency Management BC (EMBC) issued an event task number for the COVID-19 pandemic and confirmed funding would be available to local governments for eligible emergency response expenses. Eligible expenditures incurred by the CRD have and will be claimed through EMBC. Reimbursement claims are based on a comprehensive set of guidelines with detailed eligibility requirements. Due to the overwhelming quantity of claims EMBC is processing, it is unknown to what extent or when funds will be reimbursed. The estimated total EMBC claim for the CRD is approximately \$300,000 for 2020 expenses.

Based on initial review and in alignment with eligible categories of the COVID-19 Safe Restart Grant, staff recommends Regional Funds be allocated to support CRD's regional emergency management service and the Emergency Operations Center (EOC, which includes support of Electoral Areas). Table 3 below summarizes the estimated 2020 expenses and grant balance to be carried forward into future years.

Table 3 – Grant Allocation for Regional and Sub-Regional Services

Service	Eligibility Category	2020 Estimated Net Impact ¹
1.025 Corporate Emergency	Corporate EOC costs	\$302,200
Balance Remaining for Future Years		\$943,800

¹ Excludes EMBC claims of approximately \$300,000.

The 2020 estimated impact is driven by incremental EOC operations and COVID-19 related costs including labour, vehicle and equipment rentals, operating supplies, computer and other

technology costs to enhance interconnectivity and virtual communication, protective equipment and facilities management. Staff will continue to consult with Electoral Area directors on impacts and allocation to specific Local Area services.

CONCLUSION

As part of BC's Economic Recovery Plan, the Province has made a commitment to help local governments and their recovery from the impacts of COVID-19. The CRD is receiving an unconditional grant of \$1.4 million through the COVID-19 Safe Restart Grant for Local Governments. The allocation is based on per capita, with differing amounts for the total CRD population and unincorporated population. The allocation of the grant to the specific service is at the discretion of the Board within the eligible parameters set by the province.

RECOMMENDATION

The Governance and Finance Committee recommends to the Capital Regional District Board:

1. That staff allocate the \$1.4 million CRD COVID-19 Safe Restart Grants for Local Government in alignment with the Provincial allocation formulae to Regional Services and Local Area Services as summarized in Appendix D;
2. That the Regional Services allocation be distributed to the Regional Corporate Emergency Service Budget;
3. That the Local Area Services allocation be apportioned to the respective Electoral Areas where staff will engage EA Directors to determine allocation to specific services.

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ATTACHMENT(S)

- Appendix A: Ministry of Municipal Affairs and Housing Allocation Letter for Safe Restart Funding
Appendix B: Regional and Municipal Allocations for Safe Restart Funding
Appendix C: Demographics, Population Estimates, July 1 Capital Region
Appendix D: Summary of the Grant Allocation