

**REPORT TO ELECTORAL AREAS COMMITTEE  
MEETING OF WEDNESDAY, SEPTEMBER 09, 2020**

**SUBJECT**      **Investing in Canada Infrastructure Grant Program; Rural and Northern Communities Funding Stream**

**ISSUE SUMMARY**

A Capital Regional District (CRD) Board resolution is required for grant applications to the Investing in Canada Infrastructure Program (ICIP); Rural and Northern Communities (RNC) funding stream.

**BACKGROUND**

On June 25, 2020, BC and Canada announced the second intake of the RNC stream to support infrastructure projects across the province. For this intake, the program has \$58.7M available in funding for eligible projects. The first intake was in 2019 and was oversubscribed, with \$95M allocated to projects under the RNC stream.

Regional districts are an eligible recipient under the grant program and permitted to submit one application for each community. For ICIP, a community refers to a settlement area with a regional district or an established/proposed service area.

Applications for RNC are due October 22, 2020 and must include a Board resolution. Staff have identified four projects that meet eligibility requirements within this program stream.

| PROGRAM | LOCATION                    | PROJECT                                       | REQUEST (\$) | APPENDIX |
|---------|-----------------------------|-----------------------------------------------|--------------|----------|
| RNC     | Salt Spring Island (SSI)    | Maliview WWTP Upgrading Project               | \$2,000,000  | A        |
| RNC     | Juan de Fuca (JDF)          | Wilderness Mountain Water System Upgrades     | \$800,000    | B        |
| RNC     | Juan de Fuca (JDF)          | Port Renfrew Water Supply Upgrade             | \$1,600,000  | C        |
| RNC     | Southern Gulf Islands (SGI) | Lyall Harbour Boot Cove Water System Upgrades | \$600,000    | D        |

Based on past experience, disclosure of unsuccessful applications, and feedback from various provincial and federal funders, staff have developed an assessment tool to evaluate competing applications and limit submissions for a higher probability of success from the funder. Key factors include Ministry consultation and advice, as well as regional distribution. All projects were also reviewed according to key determinants of success: alignment with grant program requirements, sustainable service delivery, and grant history.

## **ALTERNATIVES**

### *Alternative 1*

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the Capital Regional District submit one application, as endorsed in the following resolution:

That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the SSI: Maliview WWTP Upgrading Project through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$230,000) of the project.

### *Alternative 2*

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the Capital Regional District submit applications for four proposals, as endorsed in the following resolutions:

1. That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the SSI: Maliview WWTP Upgrading Project through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$230,000) of the project; and
2. That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the JDF: Wilderness Mountain Water System Upgrades Project through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$50,000) of the project; and
3. That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the JDF: Port Renfrew Water Supply Upgrade Project through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$50,000) of the project; and
4. That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the SGI: Lyall Harbour Boot Cove Water System Upgrades through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$50,000) of the project.

## **IMPLICATIONS**

### *Financial implications*

### **RESOURCES AND EXPECTATIONS**

Developing grant applications is both time-consuming and resource demanding on services. As grant outcomes are unpredictable and shaped by factors outside of the CRD's control, resources and capacity are considered to ensure they are effectively distributed in a way that brings the most value.

The CRD's grant experience over the years reveals three key grant award patterns:

1. Multiple asks can result in zero wins;
2. Multiple asks can result in only one win, which is typically the lowest or near lowest ask; and
3. Focusing on one solid ask leads to greater success.

Based on these patterns, below is a more in-depth analysis of the implications with the two options on how we can approach the submission of applications.

| OPTION |                           | IMPLICATIONS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------|---------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | Submit all four proposals | <ol style="list-style-type: none"> <li>1. Everyone has a fair chance their project will be funded.</li> <li>2. Lowest grant request may be awarded.</li> <li>3. Affects relationships with funders.</li> <li>4. Likelihood of all projects being funded is low.</li> <li>5. Grant effort wasted with burden on capacity to complete the applications.</li> <li>6. ICIP Program Officer selects the project and may not be the project that the organization had deemed most critical.</li> </ol> |
| 2      | Submit one proposal       | <ol style="list-style-type: none"> <li>1. Tension between CRD Services.</li> <li>2. The most critical project to maintain service levels and best aligned with grant program be put forth.</li> <li>3. Consider ICIP Program Office advice.</li> </ol>                                                                                                                                                                                                                                           |

It is important to manage expectations regarding grant outcomes if the option of submitting all applications is pursued. Grant programs are oversubscribed with highly qualified projects; the probability of being awarded for all four applications is remote. As an example, last year's submission approach to the 2019 intake of the Community, Culture and Recreation stream and the Rural and Northern Communities stream was to submit all four CRD projects, with the result that only one project was awarded a grant. Additional information and grant history on some of these projects are summarized in Appendix E.

## **CONCLUSION**

The Investing in Canada Infrastructure Program provides funding to infrastructure projects across BC. Previous intakes to the Rural and Northern Communities stream have been oversubscribed and the likelihood of all four applications being awarded is remote. Factors that impact successful grant applications include availability of funds and their equitable distribution across the province as well as program alignment. By taking a strategic approach in considering how many grant applications to submit, and which project(s) to submit, the CRD is taking ownership of project decisions and maximizing the funding request through selecting the best (and most critical) project to put forward.

**RECOMMENDATION**

The Electoral Areas Committee recommends to the Capital Regional District Board:  
That the Capital Regional District Board (the Board) authorize staff to submit an application for grant funding for the SSI: Maliview WWTP Upgrading Project through the Investing in Canada Infrastructure Program – Rural and Northern Communities Program; and that the Board supports the project and commits to its share (\$230,000) of the project.

|               |                                                          |
|---------------|----------------------------------------------------------|
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**ATTACHMENT(S)**

Appendix A: Maliview WWTP Upgrading Project  
Appendix B: Wilderness Mountain Water System Upgrades  
Appendix C: Port Renfrew Water Supply Upgrade  
Appendix D: Lyall Harbour Boot Cove Water System Upgrades  
Appendix E: Infrastructure Funding History