



# REPORT

To: Chair and Directors

Report Number: FN-BRD-217

From: Kari Barber, Financial Services Manager

Date: May 4, 2023

Subject: **Growing Communities Fund**

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## **RECOMMENDATION #1: [Corporate Unweighted]**

That the Regional Board authorize the transfer of \$2,383,000 Growing Communities Fund grant to an operational reserve until the Board has allocated the funding to eligible regional projects.

## **RECOMMENDATION #2: [Corporate Unweighted]**

That the Regional Board authorize that a report be brought forward to the August 17, 2023, Regional Board meeting with recommendations on opportunities for the allocation of the Growing Communities Fund.

## **RECOMMENDATION #3: [Corporate Unweighted]**

That the Regional Board give Operating Reserve Fund Establishment Amendment Bylaw No. 2523, 2023, to add a new operating reserve for the Growing Communities Fund received from the Province of British Columbia, first three readings.

## **RECOMMENDATION #4: [Corporate Unweighted 2/3 Majority]**

That the Regional Board adopt Operating Reserve Fund Establishment Amendment Bylaw No. 2523, 2023.

## **BACKGROUND/RATIONALE:**

### **Recommendation 1&2:**

In March, the Province announced a one-time Growing Community Fund (GCF) grant of \$1 billion to local governments, with 85% allocated to municipalities and 15% to regional districts. The Peace River Regional District (PRRD) received a \$2,383,000 grant under the Growing Communities Fund. The PRRD allocation of funds consists of a flat amount of \$500,000, approximately \$17 per person for the entire population of the PRRD, approximately \$30 per person for the rural population, and approximately \$1,000 per person for the rural population growth between 2016 and 2021.

The grant intends to address the increasing need for infrastructure and amenities to service population growth. The funds are to be used for capital projects; however, other eligible costs are specifically outlined by the Province. Other costs include feasibility studies; early-stage development work; designing, tendering, and acquiring land that is wholly required for eligible projects, and non-capital administration costs in limited circumstances.

The Province is encouraging projects that align with provincial priorities, such as [CleanBC](#), those that align with the Environment, Social, and Governance framework for capital projects, and that a preliminary climate lens assessment on GCF investments is completed. The funds can be transferred into an operating reserve fund until the funds are used, and any interest earned on the reserve must also be used for eligible projects.

The funding must be allocated to specific projects by the PRRD for regional priorities and cannot simply be allocated to electoral areas. The Province has confirmed with staff that “It is not meant to simply be allocated among electoral areas according to a formula, it is meant to finance projects that will enable service for the construction of much needed housing.” Contributions to third parties cannot be made, except municipal contributions to housing projects and infrastructure owned by the PRRD when the municipality participates in the service and First Nations infrastructure when it is a shared service, or there is a service relationship.

Reporting requirements include that the funds be fully allocated in this calendar year and be used within five years of receipt. A schedule of how the funds were spent must be included in the audited financial statements until all of the funds are spent, and, if applicable, an annual report identifying work related to Housing Needs Reports and pre-zoning requirements. The use of the GCF on capital projects must be recognized publicly. In the Frequently Asked Questions linked at the end of this report, the Province has stated it will reclaim any of the funding that was not used for the intended purposes or if the reporting requirements are not met.

The funding can be used for existing projects that have not been completed; however, it is intended to be used toward incremental capital projects and not to replace existing capital commitments. The GCF should be used for new capital projects that are not currently included in the financial plan that fit the eligibility criteria.

Eligible infrastructure projects include:

- Public drinking water supply, treatment facilities and water distribution.
- Development finance portions of infrastructure costs that support affordable/attainable housing that may include DCCs or subdivision servicing charges payable.
- Childcare facilities.
- Municipal or regional capital projects that directly or indirectly service 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.
- Recreation related amenities.

**Recommendation 3 & 4:**

Section 377 of the *Local Government Act* provides the authority for the PRRD to establish reserve funds by applying Division 4 [Reserve Funds] of Part 6 of the *Community Charter*. Specifically, CC Section 188(1), states, "A Council may, by bylaw, establish a reserve fund for a specified purpose and direct that money to be placed to the credit of the reserve fund."

**ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

**STRATEGIC PLAN RELEVANCE:**

- ☒ Not Applicable to Strategic Plan

**FINANCIAL CONSIDERATION(S):**

Once the bylaw is adopted, the money will be transferred into the new capital reserve.

**COMMUNICATIONS CONSIDERATION(S):**

None at this time.

**OTHER CONSIDERATION(S):**

None at this time.

**Attachments:**

1. Operating Reserve Fund Establishment Amendment Bylaw No. 2523, 2023

**External Links:**

1. [Ministry Municipal Affairs - Growing Communities Fund Grant](#)
2. [Growing Communities Fund \(GCF\) Frequently Asked Questions](#)
3. [Growing Communities Fund News Release](#)