

Council Information Memo

To: Members of Council

From: Finance Department

CC: Jane Clohecy, Chief Administrative Officer

Date: August 7, 2024

Subject: Canada Community-Building Fund Agreement

Comments

This memo provides information on the Canada Community-Building Fund (hereafter CCBF) Municipal Funding Agreement. The previous Municipal Funding Agreement covered the period of April 2014 to March 2024. In July, a new Municipal Funding Agreement was executed for the period of April 2024 to March 2034. The new Municipal Funding Agreement is largely unchanged, with minor updates highlighted in this memo.

Municipal Funding Agreement

The CCBF program was previously known as the Federal Gas Tax program and was renamed in 2021 to better reflect the fund's purpose. The Government of Canada, the Government of Ontario, the Association of Municipalities of Ontario (hereafter AMO), and the City of Toronto enter into an Administrative Agreement for the CCBF every 10 years. AMO then enters into Municipal Funding Agreements with municipalities and manages the allocation of CCBF funding to municipalities.

CCBF currently provides \$2.4 billion per year in funding across Canada (with scheduled 2% increases). These federal funds will continue to be determined on a per-capita basis and allocated 50:50 between upper-tier and lower-tier and based on population census data results. Allocations for years 2024-2028 are based on the 2021 Census.

Allocations for years 2029-2033 will be based on population data from the 2026 census. The CCBF allocation for Oakville over the coming years is:

Year	CCBF allocation
2024	\$ 6,720,609
2025	\$ 7,000,634
2026	\$ 7,000,634
2027	\$ 7,280,659
2028	\$ 7,280,659

Oakville is required to submit an Annual Report by April 30th to highlight fiscal year spending and CCBF-specific outcomes achieved per project. Throughout the year, there are various communications requirements related to capital projects that are allocated funding. CCBF payments are disbursed twice yearly and the funds received must be deposited into an interest-bearing reserve fund. In 2023, Oakville received \$6.4 million from the program, earned interest of \$1.2 million, and spent \$7.8 million. CCBF allocations must be spent within a five-year timeframe on eligible capital projects. Appendix A includes the list of eligible project categories.

Every year during the budget development process, Oakville allocates CCBF funding to eligible capital projects. Various eligible projects in the 2024-2033 capital forecast have been allocated CCBF funding. These include fire stations, road resurfacing and improvements, pedestrian crossovers and new transit buses. The eligibility of these items is unchanged from previously executed funding agreements. A positive change in the new agreement is the eligibility of employee costs for specific project types.

As in the prior agreement, there is a requirement to develop and implement an Asset Management Plan in accordance with legislation and regulations. The following new requirements related to housing supply are in the new agreement:

- Annual reporting on housing outcomes for capital projects, where applicable
- All municipalities with a population above 30,000 must complete a Housing Needs Assessment (HNA) by March 31, 2025.

Further, municipalities have been asked to prioritize projects that:

- Support growth in housing supply where it makes sense to do so, in accordance with an HNA; and
- Address infrastructure needs, in accordance with the town's Asset Management Plan.

Staff have started the Housing Strategy and Action Plan, and an update report is planned for an upcoming Planning & Development Council meeting. Council approved capital project 63102408 Housing Strategy Implementation earlier this year funded from capital reserve, which includes the HNA. The HNA is planned for completion in Q1

2025, in line with the CCBF deadline. Eligible CCBF costs in the capacity building project category now include investments in housing needs assessments and studies, strategies, or systems related to housing or land use. Staff are reviewing the opportunity to refinance the now eligible CCBF costs for the HNA and related plans, as they align with the key priorities in the new CCBF agreement.

The CCBF program provides a vital and consistent form of capital funding for infrastructure renewal, program initiatives, and the town share of growth projects. The renewal of the 2024-2034 Municipal Funding Agreement will continue to provide steady funding for the town to use in line with key priorities in the capital program.

Appendix A – Eligible Investment Categories

1. **Broadband connectivity** – investments in the construction, material enhancement, or renewal of infrastructure that provides internet access to residents, businesses, and/or institutions in Canadian communities.
2. **Brownfield redevelopment** – investments in the remediation or decontamination of a brownfield site within municipal boundaries – provided that the site is being redeveloped to construct a public park for municipal use, publicly owned social housing, or Infrastructure eligible under another investment category listed in this schedule.
3. **Capacity-building** – investments that strengthen the Recipient’s ability to develop long-term planning practices, including in the areas of asset management, housing or land use planning (including housing needs assessments).
4. **Community energy systems** – investments in the construction, material enhancement, or renewal of infrastructure that generates energy or increases energy efficiency.
5. **Cultural infrastructure** – investments in the construction, material enhancement, or renewal of infrastructure that supports the arts, humanities, or heritage.
6. **Drinking water** – investments in the construction, material enhancement, or renewal of infrastructure that supports drinking water conservation, collection, treatment, and distribution systems.
7. **Fire halls** – investments in the construction, material enhancement, or renewal of fire halls and fire station infrastructure.
8. **Local roads and bridges** – investments in the construction, material enhancement, or renewal of roads, bridges, tunnels, highways, and active transportation infrastructure.

9. **Public transit** – investments in the construction, material enhancement, or renewal of infrastructure that supports a shared passenger transport system that is available for public use.
10. **Recreational infrastructure** – investments in the construction, material enhancement, or renewal of recreational facilities or networks.
11. **Regional and local airports** – investments in the construction, material enhancement, or renewal of airport-related infrastructure (excluding infrastructure in the National Airports System).
12. **Resilience** – investments in the construction, material enhancement, or renewal of built and natural infrastructure assets and systems that protect and strengthen the resilience of communities and withstand and sustain service in the face of climate change, natural disasters, and extreme weather events.
13. **Short-line rail** – investments in the construction, material enhancement, or renewal of railway-related infrastructure for carriage of passengers or freight.
14. **Short-sea shipping** – investments in the construction, material enhancement, or renewal of infrastructure related to the movement of cargo and passengers around the coast and on inland waterways, without directly crossing an ocean.
15. **Solid waste** – investments in the construction, material enhancement, or renewal of infrastructure that supports solid waste management systems (including the collection, diversion, and disposal of recyclables, compostable materials, and garbage).
16. **Sport infrastructure** – investments in the construction, material enhancement, or renewal of amateur sport infrastructure (facilities housing professional or semi-professional sports teams are ineligible).
17. **Tourism infrastructure** – investments in the construction, material enhancement, or renewal of infrastructure that attracts travelers for recreation, leisure, business, or other purposes.
18. **Wastewater** – investments in the construction, material enhancement, or renewal of infrastructure that supports wastewater and storm water collection, treatment, and management systems.