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REPORT TO ELECTORAL AREAS COMMITTEE MEETING OF WEDNESDAY, APRIL 12, 2023

SUBJECT 2022 Community Works Fund Annual Report

ISSUE SUMMARY

This report provides a summary of Community Works Fund (CWF) activity for the period of January 1, 2022 through December 31, 2022.

BACKGROUND

CWF is one of three program streams under the Canada Community- Building Fund (CCBF) Program. The CCBF transfer is from the federal government, and Union of British Columbia Municipalities (UBCM) administers the CCBF program on behalf of the province through a trilateral agreement. The agreement between the Government of Canada-Province of BC-UBCM provides a 10-year commitment (2014-2024) to deliver funding to local governments for infrastructure and capacity-building projects. This agreement provides the administrative framework for the program. It sets out the funding allocation, program delivery, and eligible categories.

To receive funding, local governments are required to enter into an agreement with UBCM as the program administrator. Funding is distributed to local governments through UBCM on a per capita basis that also includes a funding floor. In alignment with Capital Regional District (CRD) Board Direction (August 2014), CWF funds are reallocated to the three Electoral Areas (EAs): Juan de Fuca (JDF), Salt Spring Island (SSI) and Southern Gulf Islands (SGI) on a per capita basis. Once funds are distributed, staff administer the program through a continuous application process. Appendix A provides a summary of activity since 2006 and remaining balances at the end of 2022.

The CRD has been a recipient of CWF under two agreements: 2005-2014 and 2014-2024. The current agreement expires March 31, 2024, and consultation with local governments is expected to occur in 2023. UBCM and the Province will be undertaking a joint negotiation approach for a renewed CCBF agreement. In the final year of the agreement, the CRD is expecting two more payments in 2023. Staff will bring a report back to the Board once a new agreement is brought forward.

IMPLICATIONS

Service Delivery Implications

CRD services and third parties in the EAs are eligible to access CWF funding. The funding is used to support the diverse needs and local priorities in each of the EAs. Often, the third-party requests provide services to communities and areas where the CRD has no service authority.

In 2022, successful projects under CWF's eligible categories included fire halls and fire stations, recreational and drinking water infrastructure projects. The agreement also requires local governments to commit to asset management practices. In 2022, several projects were funded to assist with asset management and long-term planning, including infrastructure assessments and

transportation and strategic plans. Appendix B details a list of projects that were awarded in 2022. Appendix C details projects by recipient type and project category.

Financial Implications

2022 Activity

Tables 1 and 2 provide an overview of CWF allocation and activity in the EAs for the past two years.

Table 1: Distribution of CWF Funds to EAs

	Population (2021 Census) ¹	%	2022 Allocation (\$)	Population (2016 Census)	%	2021 Allocation (\$)
JDF	5,531	24	279,432	4,860	24	544,748
SSI	11,635	50	587,814	10,557	52	1,205,051
SGI	6,101	26	308,230	4,732	24	529,144
Total	23,267	100	1,175,476	20,149	100	2,278,943²

¹In 2021, these numbers are derived from the new Statistics Canada census and were updated in [February 2022](#). In alignment with CRD Board direction (August 2014), the population numbers were updated for CWF distribution to the EAs.

²2021 CWF funding included a top-up payment.

Table 2: CWF Funding Awarded to Projects

	2022		2021	
	# of Applications	Amount Awarded (\$)	# of Applications	Amount Awarded (\$)
JDF	14	905,000	7	236,000
SSI	13	2,071,050	9	611,620
SGI	1	80,000	10	636,334
Total	28	3,056,050	26	1,483,954

Award Trends and Unspent Funds

In a September 2021 CWF Program Overview Report, staff noted that to allocate the funds by the end of the current agreement (March 2024), the rate at which projects were historically awarded on average would need to more than triple. In comparison to the 2014-2020 average (\$0.8 million), in 2022, collectively the EAs awarded 3.5x more (\$3.0 million) to projects (refer to Appendix D for an update on award trends). From 2021 to 2022, EAs effectively doubled their dollar amount awarded to projects.

Since 2014, the CRD has awarded \$10.8 million to projects. In 2023, the CRD is anticipating a final payment of \$1.2 million, for a total of \$13.5 million over a 10-year period. The CRD has \$4.8 million in projected funding remaining (including 2022 year-end and 2023 future payments). In the last two years through the Annual Expenditures Reports (AER) to UBCM, the CRD was required to forecast unspent funds. The CRD is entering the final year of the current agreement (2024) and is proceeding with the assumption all funds will be allocated by March 31, 2024. To fully allocate \$4.8 million in remaining funding, this would involve awarding projects consistent with 2022 levels

(see Appendix D for details). Staff anticipate the volume of applications to continue to increase through the final year, which may require additional resources and capacity to accommodate.

CONCLUSION

The 2022 Community Works Fund Annual Report provides a summary of funding activity in 2022. The program is administered through a continuous application process for third parties and CRD Services in the EAs. Applications must have EA Director support and are subject to availability of funds and program eligibility, which is coordinated through a rigorous pre-screening process. The current agreement is coming to an end March 31, 2024. Staff anticipate a new agreement is forthcoming and will bring back a report to the Board.

RECOMMENDATION

There is no recommendation. This report is for information only.

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ATTACHMENTS

- Appendix A: CWF Funding Assigned to Projects and Balance Remaining by Electoral Area, April 1, 2006 – December 31, 2022
- Appendix B: 2022 Community Works Fund Grants Awarded
- Appendix C: 2022 Community Works Fund Detailed Breakdown by Electoral Area
- Appendix D: CWF Program Trends: 2019-2022 and 2014-2023