



Report
Staff Report
The Corporation of the City of Brampton
7/10/2024

Date: 2024-07-03

Subject: **Municipal Funding Agreement with AMO- Canada Community Building Fund**

Contact: Maja Kuzmanov, Senior Manager Accounting Services/Deputy Treasurer, Finance

Report number: Corporate Support Services-2024-609

RECOMMENDATIONS:

1. That the report from Maja Kuzmanov, Senior Manager Accounting Services/Deputy Treasurer, to the Council Meeting of July 10, 2024, re. **Municipal Funding Agreement with AMO- Canada Community- Building Fund (CCBF)** be received;
2. That a by-law be passed to authorize the Mayor and City Treasurer to execute the Municipal Funding Agreement (MFA) for the transfer of Canada Community-Building Fund between the Association of Municipalities of Ontario and The Corporation of the City of Brampton, in a form approved by the City Solicitor; and
3. That the City Treasurer be directed to deposit Canada Community-Building Fund receipts from AMO to Reserve Fund 91 established for this purpose.

OVERVIEW:

- **In 2005, the Association of Municipalities of Ontario (AMO) and the City of Brampton signed Federal Gas Tax Municipal Funding Agreement that flows federal Gas Tax revenue directly to municipalities in Ontario. In 2021, Federal Gas Tax Fund was officially renamed to Canada Community-Building Fund.**
- **Since then, the City has received \$287.9 million of Federal Gas Tax /CCBF funds from AMO.**

- **On April 1, 2024, Government of Canada, the Government of Ontario, AMO, and Toronto signed an extension to the Administrative Agreement for the transfer of funds until 2034.**
- **Under the new agreement Ontario municipalities will receive a predictable and stable funding stream between 2024 and 2034. Brampton's share over the first five years of this period is \$108.35 million.**
- **This report summarizes key changes from the previous agreement and criteria for participation in the program. New requirements related to housing have been introduced. In addition, changes to monitoring of the CCBF funds and insurance requirements are among the key changes.**
- **It is required that Council approve a by-law authorizing the execution of the Municipal Funding Agreement with AMO so the City of Brampton can receive the funding.**

BACKGROUND:

On June 17, 2005, Canada, Ontario, the Association of Municipalities of Ontario (AMO) and the City of Toronto signed a groundbreaking agreement under the Government of Canada's New Deal for Cities and Communities that flows federal gas tax revenue directly to municipalities in Ontario.

In February of 2010, AMO signed an extension to the Agreement for the Transfer of Federal Gas Tax Revenues.

On April 1, 2014, Canada, Ontario, AMO and Toronto signed a 10-year extension to the agreement for the transfer of federal Gas Tax Funds until 2023.

In 2021, Federal Gas Tax Fund was officially renamed to Canada Community-Building Fund.

Since 2005, the City has received \$287.9 million of federal Gas Tax /CCBF funds from AMO.

CURRENT SITUATION:

In a letter received from AMO in June, the City was formally advised that Canada, Ontario, AMO and Toronto signed an extension to the agreement for the transfer of Canada Community-Building Funds until 2034. The new Administrative Agreement for the transfer of Canada Community-Building Funds took effect on April 1, 2024.

Under the renewed 10-year Municipal Funding Agreement (MFA) Ontario municipalities will receive a predictable and stable funding stream between 2024 and 2034. The funding will be allocated to municipalities on a per-capita basis using 2021 census data.

The following payment schedule shows amount the City of Brampton will receive from AMO for the first 5 years of the agreement. Payments will be received semiannually on equal instalments.

2024	\$20,639,810.43
2025	\$21,499,802.53
2026	\$21,499,802.53
2027	\$22,359,794.63
2028	\$22,359,794.63

As part of the new Administrative Agreement, the Government of Canada committed to tie federal infrastructure funding to actions that increase the housing supply. As a result, new requirements related to housing have been introduced:

- Housing needs assessments (HNAs) are required for single-and lower-tier municipalities with a 2021 census population of 30,000 or more by March 31, 2025 (and are encouraged for other municipalities with housing pressures).
- Housing outcomes resulting from CCBF investment will need to be reported for each project that ended construction in the reporting year.
- Some related costs such as studies, strategies, or systems related to housing or land use are eligible under the capacity-building category.

Other key changes reflected in the new agreement include:

- Streamline some reporting requirements: CCBF funds are still expected to complement existing funding for municipal infrastructure, but municipalities are no longer required to monitor a “base amount” or the incremental use of funds.
- Insurance is still required but municipalities are no longer required to submit a Certificate of Insurance each year.
- The disaster mitigation category is now the resilience category.
- With limitations staff costs are now eligible under the capacity-building category.
- Equity requirement is introduced as municipalities are expected to consider GBA+ lenses when undertaking projects.
- Municipalities must retain records for at least six years.

The following section summarizes the pertinent eligibility requirements and permitted uses of the CCBF funds that will be paid to the City.

Eligibility requirements:

Under the new agreement municipal infrastructure projects may fall within the following 18 categories: local roads and bridges, short-sea shipping, short-line rail, regional and local airports, broadband connectivity, public transit, drinking water, wastewater, solid waste, community energy systems, brownfield redevelopment, sport infrastructure, recreation, culture, tourism, resilience, fire halls and capacity building.

Municipalities must demonstrate that projects are prioritized based on Asset Management planning in order to ensure they can build on the work to date and that they are not overburdened with new requirements.

Municipalities must also clearly demonstrate that the funding used for a project is incremental i.e. municipalities receiving CCBF funding cannot use it to displace current capital investment or result in corresponding reductions in capital investment. It must result in increased infrastructure investment in eligible categories equal to the amount of gas tax funding received.

Eligible Costs:

Following are eligible costs under the new CCBF agreement:

- Infrastructure investments – expenditures associated with acquiring, planning, designing, constructing, or renovating a tangible capital asset and any related debt financing charges specifically identified with that asset.
- Capacity-building costs – for projects eligible under the capacity-building category only, expenditures associated with the development and implementation of:
 - Capital investment plans, integrated community sustainability plans, integrated regional plans, housing needs assessments, or asset management plans;
 - Studies, strategies, systems, software, third-party assessments, plans, or training related to asset management;
 - Studies, strategies, systems, or plans related to housing or land use;
 - Studies, strategies, or plans related to the long-term management of infrastructure; and
 - Other initiatives that strengthen the Recipient's ability to improve local and regional planning.
- Joint communications and signage costs – expenditures directly associated with joint federal communication activities and with federal project signage.

- Employee costs – the costs of the Recipient’s employees for projects eligible under the capacity-building category only – provided that the costs, on an annual basis, do not exceed the lesser of:
 - 40% of the Recipient’s annual allocation (i.e., the amount of CCBF funding made available to the Recipient by AMO under Section **Error! Reference source not found.** of this Agreement); or
 - \$80,000

Outcomes Report

The annual reporting requirement on the eligible project outcomes continues under the new agreement. Under the extended Administrative Agreement on the Canada Community-Building Fund (CCBF), housing outcomes resulting from each Eligible Project that ended construction in the reporting year must be included, and specifically:

- The number of housing units enabled, supported, or preserved; and
- The number of affordable housing units enabled, supported, or preserved.

In addition, municipalities will report the impact of the CCBF on housing pressures tied to infrastructure gaps, the housing supply, and housing affordability.

CORPORATE IMPLICATIONS:

Financial Implications:

Brampton's allocation over the first five years of the new Administrative Agreement is \$108.35 million.

STRATEGIC FOCUS AREA:

This report fulfils Government & Leadership Strategic Focus Area through strict adherence to effective financial management policies and ensuring transparent and accountable financial operations.

CONCLUSION:

On April 1, 2024, Canada, Ontario, AMO and Toronto agreed on an extension to the agreement for the transfer of Canada Community Building Funds until 2034. Under the new agreement Ontario municipalities will receive a predictable and stable funding stream. Brampton share over the first five years of the new Administrative Agreement is \$108.35 million. The funding program requires Council to approve a by-law authorizing

the execution of the Municipal Funding Agreement with AMO so the City of Brampton can receive the funding.

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Attachments:

- Attachment 1 – Draft By-law to authorize execution of the Municipal Funding Agreement between The Association of Municipalities of Ontario and The Corporation of the City of Brampton