

The Regional Municipality of York

Regional Council
Finance and Administration
December 17, 2020

Report of the Commissioner of Finance

COVID-19 Resilience Infrastructure Stream – Local Government Intake Funding Application

1. Recommendations

Council endorse the projects shown in Attachment 1 for funding under the COVID-19 Resilience Infrastructure Stream – Local Government Intake.

2. Summary

The Investing in Canada Infrastructure Program: COVID 19 Resilience Infrastructure Stream – Local Government Intake is now open and all 444 Ontario municipalities may apply. Although funding amounts have been allocated to municipalities, the Province also requires that municipalities complete the project application process. The due date for the Region's application is January 7, 2021. A Council resolution is required for joint projects (properties not owned by the Region) and is encouraged for all other applications.

Key Points:

- The federal and provincial governments will provide \$1.05 billion in combined funding under the COVID-19 Resilience Infrastructure Stream to help communities to deliver quick-start and short-term pandemic-resilient infrastructure projects
- The Region has been allocated \$12.3 million. To receive this funding, an application needs to be submitted by January 7, 2021
- The projects shown in Attachment 1 are recommended for Council's endorsement

3. Background

The Investing in Canada Infrastructure Program (ICIP) is an important program, providing more than \$180 billion in funding for Canadian municipal infrastructure projects. Under ICIP, \$33 billion is being delivered through bilateral agreements with the provinces and territories.

To address the challenges faced by communities brought on by COVID-19, in August 2020, the federal government announced a change to this program that would provide provinces

and territories with funding flexibility by allowing them to transfer up to 10 percent of ICIP allocations to support public infrastructure projects. A new temporary COVID-19 Resilience Infrastructure Stream, with over \$3 billion available in existing funding, was created with the intention of permitting provinces and territories to act quickly on a wider range of quick-start and short-term pandemic-resilient infrastructure projects.

On October 28, 2020, Ontario announced their partnership with the federal government to provide up to \$1.05 billion in combined funding under this new funding stream.

The COVID-19 Resilience Infrastructure stream will deliver:

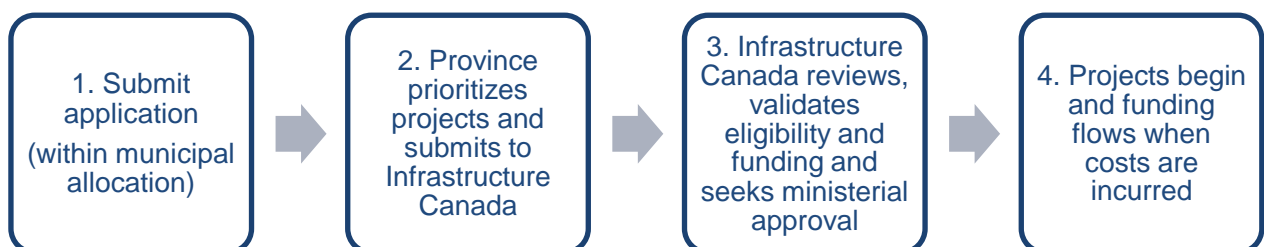
- Up to \$700 million for education-related projects to be nominated and administered by the Ministry of Education;
- An allocation-based program that will deliver \$250 million to municipalities to address critical local infrastructure needs through the Ministry of Infrastructure;
- Up to \$100 million for long-term care projects to be identified and administered by the Ministry of Long-Term Care.

Of the \$250 million Local Government Intake currently available, the Region has been allocated \$12.32 million.

Some of the key features of the funding program are as follows:

Timeline of application

Applications will be reviewed and prioritized by the province on a first-come first-served basis and no deadline extensions will be considered.



- Applications for multiple projects must be submitted to the province through the Transfer Payment Ontario (TPON) system by January 7, 2021
- Contracts can only be awarded after federal approval is confirmed (estimated Spring 2021)
- Projects must have started construction by September 30, 2021; and
- Projects must have completed construction by December 31, 2021

4. Analysis

Staff from multiple departments worked collaboratively to come up with a list of projects that could meet the intent and eligibility of the funding program, while maximizing the Region's allocation of \$12.32 million.

Eligible infrastructure projects

Funding is available for capital projects under the following four categories:

Category 1: Retrofits, repairs and upgrades for municipal, territorial, provincial and Indigenous buildings, health infrastructure and educational infrastructure;

Category 2: COVID-19 response infrastructure, including building or modifying infrastructure to support physical distancing, safety retrofits and expansions;

Category 3: Active transportation infrastructure, including parks, trails, foot bridges, bike lanes and multi-use paths; and

Category 4: Disaster mitigation and adaptation projects, including natural infrastructure, flood and fire mitigation, and tree planting and related infrastructure.

Municipalities can consolidate multiple assets within one of the four categories under one project submission. The Region is permitted to submit a maximum of five projects.

Projects that have already commenced construction or contain no capital components (e.g. planning projects) are ineligible.

Project size and cost sharing

Eligible costs associated with the project cannot exceed \$10 million. Cost-sharing is not required under this funding. The federal government will cover 80 percent of the total eligible costs and the province will cover the remaining 20 percent but total eligible costs for all submitted projects cannot exceed York Region's allocation.

Based on the criteria and requirements provided by the Province, departments developed a list of projects that could be completed within the strict timeframe permitted. The projects total \$12.32 million and are grouped into five project categories.

Table 1
Proposed Project Submissions

Category	Project	Submission Amount \$ Million
1	Project 1: Retrofits, repairs and upgrades for municipal infrastructure	6.57
1	Project 2: Retrofits, repairs and upgrades for health infrastructure	1.35
2	Project 3: Covid-19 response infrastructure	2.1
2	Project 4: Covid-19 response infrastructure for Community Housing Providers – Joint Project	1.45
3	Project 5: Active transportation infrastructure	0.85
Total Amount		12.32

Table 2
Submission by Department

Department	Submission Amount \$ Million
Community and Health Services	7.15
Environmental Services	0.24
Property Services Branch	2.25
Transportation Services	2.68
Total Amount	12.32

5. Financial

The recommended projects will be included in the proposed 2021 Capital Budget and will be shown as fully funded by the federal and provincial governments.

Some of the proposed projects that would be funded through the COVID -19 Resilience Infrastructure Stream are currently in the Region's capital plan while others are incremental to it. Funding projects currently in the Region's budget would, upon approval, result in savings of approximately \$6.9 million. These savings could be used to fund other tax-supported priority Regional capital projects. This would be accomplished in Council's 2021 mid-year budget review.

Funding under this program is claims-based and will be reimbursed upon review and approval of eligible costs. While cost overruns would be the Region's responsibility, it is not clear if the savings from one project can be applied to the overages of another project.

6. Local Impact

Local municipalities are also in receipt of approximately \$25 million COVID-19 Resilience Infrastructure Stream funding.

7. Conclusion

This report recommends Council endorse the project list in Attachment 1 to be submitted to the Province under the COVID-19 Resilience Infrastructure funding stream.

For more information on this report, please contact Edward Hankins, Director, Treasury Office and Deputy Treasurer at 1-877-464-9675 ext. 71644. Accessible formats or communication supports are available upon request.

Recommended by: Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional
Treasurer Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

December 11, 2020
Attachments (1)
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