



Report of the General Manager

COVID-19 Resilience Infrastructure Stream – Potential Projects

Recommendations

1. The General Manager be authorized to use methods of procurement consistent with the program guidelines to ensure that timelines can be met, expediting procurement and construction projects approved for funding under the Investing in Canada Infrastructure Program.
2. The General Manager be authorized to execute all necessary documents required under the program.
3. The General Manager be authorized to adjust funding, and direct any additional or surplus funding, as required to maximize use of funds.

Summary

The application process for the Investing in Canada Infrastructure Program: COVID-19 Resilience Infrastructure Stream – Local Government Intake opened in November 2020 for all 444 Ontario municipalities. Although funding amounts have been allocated to municipalities, the province also requires that municipalities complete the project application process. In [December 2020](#), Council endorsed projects for funding under the COVID-19 Resilience Infrastructure Stream – Local Government Intake, which included projects to be jointly delivered through Housing York Inc. (HYI) on HYI sites.

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 deliver quick-start and short-term pandemic-resilient infrastructure projects
 - The Region has been allocated \$12.32 million of which \$3.75 million of the projects applied for are for HYI sites. The application was submitted on January 7, 2021
 - The projects shown in Attachment 1 were included in Council's endorsement for HYI projects
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Background

The Investing in Canada Infrastructure Program: COVID-19 Resilience Infrastructure Stream – Local Government Intake allocates \$12.32 million to York Region

The Investing in Canada Infrastructure Program (ICIP) will provide 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 COVID-19 related challenges faced by communities, in August 2020 the federal government changed the program to give provinces and territories more funding flexibility by allowing them to transfer up to 10% of ICIP allocations to support public infrastructure projects. A new temporary COVID-19 Resilience Infrastructure Stream, with over \$3 billion, was created to help 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 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 for municipalities, the Region has been allocated \$12.32 million. In [December 2020](#), Council endorsed projects to be put forward for funding under the ICIP COVID-19 Resilience Infrastructure Stream – Local Government Intake.

Four categories have been established for types of capital projects

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

- Category 1: Retrofits, repairs and upgrades for municipal, territorial, provincial, 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
- Category 4: Disaster mitigation and adaptation projects, including natural infrastructure, flood and fire mitigation, and tree planting and related infrastructure

Municipalities may consolidate multiple assets within one of the four categories under one project submission. The Region was 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.

Eligible costs associated with each project cannot exceed \$10 million

Municipal cost sharing is not required for this program

The federal government will cover 80% of the total eligible costs and the province will cover the remaining 20%. Total eligible costs for all submitted projects must not exceed York Region's \$12.32 million allocation.

Notification of approved projects is anticipated in spring 2021

The Region's applications for multiple projects were submitted to the province through the Transfer Payment Ontario system January 7, 2021. Projects must begin construction by September 30, 2021, and construction must be completed by December 31, 2021.

Applications will be reviewed and prioritized by the province on a first-come first-served basis and no deadline extensions will be considered. The province will notify applicants if their projects have been selected for nomination to the federal government for review and approval. Federal decisions are anticipated this spring. Construction contracts to do the capital work will be awarded after federal approval is confirmed.

Analysis

HYI worked with the Region to identify \$3.75 million in projects that would meet the program eligibility requirements while maximizing the Region's \$12.32 million allocation

Table 1 summarizes potential funding for HYI under the two applicable funding categories. Project details are provided in Attachment 1.

Table 1
Summary of Housing York Inc. Potential Funding

Category	\$ (million)
Category 1: Retrofits, repairs and upgrades for municipal infrastructure	2.9
Category 2: Covid-19 response infrastructure	0.85
Total	\$3.75

Flexibility with contracts will help facilitate efficient delivery of these projects

The ICIP requires applicants to use a value for money procurement approach. Any requests for sole source procurement exemptions required a business case to accompany the ICIP application. The Region's application did not include any sole sourcing business cases on behalf of HYI projects.

York Region supports the HYI procurement process. The HYI [Purchasing Bylaw](#) (Section 7.3) stipulates that where the total cost of any deliverable exceeds \$100,000, either a request for tenders or a request for proposals shall be issued. Given current demand on the Region's procurement capacity due to COVID-19, using the typical public procurement process could take several months, putting the projects and funding at risk.

It is in the best interest of HYI to use invitational, competitive bidding to ensure project timelines can be met. As required by the program guidelines, the procurement will be executed

undertaking a competitive pricing or tendering process to demonstrate value for money. Staff will endeavor to obtain the best value for deliverables purchased without the full formality of a public call for bids.

This funding supports the Healthy Communities priority set by Regional Council in the York Region [2019 to 2023 Strategic Plan](#). The Healthy Communities priority in the 2019 to 2023 Strategic Plan focuses on the health, safety and well-being of the Region's residents through delivering and promoting affordable housing. In addition, the Region's [Official Plan](#) directly supports the creation of new affordable housing.

Financial Considerations

Some of the proposed projects that would be funded through the COVID -19 Resilience Infrastructure Stream are currently in the HYI capital plan, while others are incremental to it. Funding projects currently in HYI's capital program would, upon approval, result in savings of approximately \$2.9 million. These savings could be used to fund other HYI priority capital projects.

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


Local Impact

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

Conclusion

Through the ICIP, HYI has an opportunity to provide new energy and health and safety initiatives by December 31, 2021. Flexibility with procurement will help facilitate efficient and timely delivery of these projects. The projects will provide capital and operational savings, as well as health and safety improvements to HYI facilities.

For more information on this report, please contact Josh Scholten, Director, Housing Development and Asset Strategy, at 1-877-464-9675 ext. 72004. Accessible formats or communication supports are available upon request.



Recommended by:

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Approved for Submission:

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Attachment 1
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