



**City of Kingston
Report to Council
Report Number 24-191**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Date of Meeting: July 9, 2024
Subject: Municipal Funding Agreements for the Canada Community-Building Fund and the Building Faster Fund

Council Strategic Plan Alignment:

Theme: Corporate business

Goal: See above

Executive Summary:

The Canada Community Building Fund (CCBF) is a transfer-based funding program that provides municipalities with predictable funding to ensure that the critical infrastructure required to support housing continues to be built, maintained, and expanded. The CCBF replaces the former Federal Gas Tax funding. In order for the City to receive funding from the CCBF, the City of Kingston is required to enter into a new 10-year municipal funding agreement with the Association of Municipalities of Ontario ("AMO"), who will continue to administer the federal funding program.

The Building Faster Fund is a provincially funded program for municipalities that have committed to provincially assigned housing targets. The 3-year funding program is designed to help municipalities pay for critical housing-enabling infrastructure that supports growth in the housing supply.

Recommendations:

That the Mayor and Clerk be authorized to execute the Municipal Funding Agreement for the Canada Community-Building Fund between the Association of Municipalities of Ontario and the

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City of Kingston, and any documents ancillary thereto, all subject to the satisfaction of the Director of Legal Services; and

That the Mayor and Clerk be authorized to execute the Ontario Transfer Payment Agreement for the Building Faster Fund between the Ministry of Municipal Affairs and Housing and the City of Kingston, and any documents ancillary thereto, all subject to the satisfaction of the Director of Legal Services; and

That Council delegate authority to the City's Chief Financial Officer and City Treasurer to approve and submit a Building Faster Fund investment plan and year-end report for each program year.

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Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

Desiree Kennedy, Chief
Financial Officer & City
Treasurer

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

Lanie Hurdle, Chief
Administrative Officer

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services	Not required
Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives	Not required
Brad Joyce, Commissioner, Infrastructure, Transportation & Emergency Services	Not required

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Options/Discussion:**Background**

On December 6, 2005 Council passed By-Law Number 2006-1, being a “By-Law for the Transfer of Federal Gas Tax Revenue” in order to receive annual federal gas tax payments for four years. The Municipal Funding Agreement between the Association of Municipalities of Ontario (AMO) and the City of Kingston (City) was executed on December 12, 2005. The City continued to receive federal gas tax revenues through additional funding agreements with the last agreement signed in 2014 that provided for federal gas tax payments for a 10-year period that expired on March 31, 2024.

The federal gas tax funding program has now been replaced with the Canada Community-Building Fund (CCBF) program. The CCBF, like the federal Gas Tax Fund, will continue to support capital infrastructure investment and be administered on behalf of the Government of Canada by AMO. The City of Kingston is required to enter into a new funding agreement with AMO to receive CCBF funding for a 10-year period, effective April 1, 2024 to March 31, 2034. The agreement will govern the transfer and use of the CCBF and related grant reporting and communication requirements.

The Building Faster Fund is a three-year funding program intended to support growth in housing supply through investment in housing-enabling infrastructure. Funding is intended to be sufficiently flexible to avoid administrative overhead and other restrictions for municipalities that might undermine the BFF’s primary purpose of creating an incentive for municipalities to deliver on their annual housing targets.

To receive this funding, the City must enter into a Transfer Payment Agreement (TPA) with the Ministry of Municipal Affairs and Housing (MMAH) and submit an Investment Plan for ministry approval.

The Investment Plan (IP) is an annual report that provides the following information:

- Proposed BFF activities – program actions that will be supported with BFF funding, including how these actions support increasing housing supply, housing development, including issues of housing affordability and any identified risks to achieve housing targets.
- Proposed BFF expenditures – detailed information on planned expenditures for the current program year.

The City must also submit a BFF year-end report each program year that identifies the results achieved as well as the actual funds spent by activity.

In order to streamline the annual reporting process, staff are recommending that the City’s Chief Financial Officer & City Treasurer be delegated authority to approve and submit reports as

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required under the Building Faster Fund, including annual investment plans and year-end reports.

Financial Considerations:

The City's CCBF allocation is \$8.3M for 2024 increasing to \$9.0M by 2028.

The City's allocation of the Building Faster Fund is based on its proportion of the provincial housing target. Municipalities that achieve 80% or more of their annual target will receive a proportion of their allocation. Those that exceed their target will be eligible to receive additional funding. The province confirmed that the City's 2023 allocation of the BFF was \$3.2M, based on exceeding our 2023 housing target.

Funding from both programs has been incorporated into the City's capital financial plans and future budget projections.

Contacts:

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Other City of Kingston Staff Consulted:

None

Exhibits Attached:

None