



Report to: General Committee

Date Report Authored: June 25, 2024

SUBJECT: Municipal Funding Agreement for the Canada Community-Building Fund
PREPARED BY: Jemima Lee – Manager, Capital Budgets (Ext. 2963)

RECOMMENDATION:

- 1) That the report dated June 25, 2024 titled “Municipal Funding Agreement for the Canada Community-Building Fund” be received;
- 2) That a By-Law be enacted granting authority to the Mayor and Clerk to sign the Municipal Funding Agreement between the Association of Municipalities of Ontario (AMO) and the City of Markham for the Canada Community-Building Fund, in a form satisfactory to the City Solicitor; and
- 3) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

The City of Markham (City) has executed three Municipal Funding Agreements with the Association of Municipalities of Ontario (AMO), through which the City has received over \$165 million in Canada Community-Building Fund (CCBF) funding (formerly Federal Gas Tax funding). CCBF funds are distributed to communities across the Province on a per-capita basis.

On June 14, 2024, AMO provided the City with a new Municipal Funding Agreement (MFA) for the period covering April 1, 2024 through to March 31, 2034. This agreement will secure \$55,873,519 in CCBF funding for the first 5-year period, based on the 2021 Census. Funding for the second 5-year term is expected to be reviewed by AMO by June 30, 2027.

To initiate distribution of CCBF funds, municipalities are required to pass a by-law authorizing the MFA, and have the appropriate officers sign the agreement.

PURPOSE:

The purpose of this report is to enact a By-Law granting authority to the Mayor and Clerk to execute the new funding agreement.

OPTIONS/ DISCUSSION:

Established in 2005, the CCBF is a permanent source of Federal funding for local infrastructure. Communities can use CCBF funding for 18 eligible investment categories such as construction and enhancement of roads and bridges, recreational and cultural facilities, and storm/wastewater systems. The funds can also be applied to projects that support broadband connectivity and climate change resilience.

The new MFA includes additional provisions related to housing. Municipalities are expected to prioritize, where possible, infrastructure or capacity-building projects that support increased housing supply where it makes sense to do so. Under the new MFA, the City will be required to develop and submit a Housing Needs Assessment (HNA) and report on housing outcomes resulting from funded projects.

The City applies CCBF funding to City-wide projects such as road network construction, asphalt resurfacing, recreation and park amenities replacements, and flood control remediation. These projects are critical to maintaining and building the infrastructure that the City needs, including supporting increased housing supply for our growing community.

FINANCIAL CONSIDERATIONS

The funding term is for 10 years divided into two terms: 2024-2028 and 2029-2033, with each year's funding required to be spent within a 5-year period. The funding allocation for each 5-year term is based on Census information (i.e., 2021 Census determines the 2024-2028 allocations; 2026 Census determines the 2029-2033 allocation).

Upon execution of the MFA, the City will receive \$55.9 million in CCBF funding for years 2024-2028 according to the following schedule:

Year	Annual Funding*
2024	\$10,642,575**
2025	\$11,086,016
2026	\$11,086,016
2027	\$11,529,456
2028	\$11,529,456
Total (2024-2028)	\$55,873,519

*Two equal payments will be received annually around July and November of each year.

**\$10.6 million in the Canada Community-Building Funds were approved and allocated to 2024 capital projects.

CCBF will continue to be considered as a funding source for priority projects that meet the program's eligibility conditions and will be allocated as part of the annual budget process.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Legal Services was consulted.

RECOMMENDED BY:

Joseph Silva
Treasurer

Trinela Cane
Commissioner, Corporate Services

ATTACHMENT:

Municipal Funding Agreement for the Canada Community-Building Fund By-Law